

Governance Risks					Impact	Funding & Investment Risks (includes accounting and audit)																																								
					1						8	12																																		
		19 15 14 13 12 11 7 6 5			2		11		13 15 17 10		14																																			
	18	3	16 10 9		3																																									
	1	17	2		4		16	7	1	3																																				
	8				5				5		2																																			
Likelihood	1	2	3	4	5		5	4	3	2	1	Likelihood																																		
	19	12			5	Key Potential impact if risk occurred <table border="1"> <tr> <td>1 Insignificant</td> <td>5</td> <td>4</td> <td>3</td> <td>2</td> <td>1</td> </tr> <tr> <td>2 Minor</td> <td>10</td> <td>8</td> <td>6</td> <td>4</td> <td>2</td> </tr> <tr> <td>3 Moderate</td> <td>15</td> <td>12</td> <td>9</td> <td>6</td> <td>3</td> </tr> <tr> <td>4 Major</td> <td>20</td> <td>16</td> <td>12</td> <td>8</td> <td>4</td> </tr> <tr> <td>5 Catastrophic</td> <td>25</td> <td>20</td> <td>15</td> <td>10</td> <td>5</td> </tr> <tr> <td></td> <td>5 Almost Certain</td> <td>4 Likely</td> <td>3 Possible</td> <td>2 Unlikely</td> <td>1 Rare</td> </tr> </table> Likelihood of risk occurring New risk: Risk moved since last update: -----> 	1 Insignificant	5	4	3	2	1	2 Minor	10	8	6	4	2	3 Moderate	15	12	9	6	3	4 Major	20	16	12	8	4	5 Catastrophic	25	20	15	10	5		5 Almost Certain	4 Likely	3 Possible	2 Unlikely	1 Rare				
1 Insignificant	5	4	3	2	1																																									
2 Minor	10	8	6	4	2																																									
3 Moderate	15	12	9	6	3																																									
4 Major	20	16	12	8	4																																									
5 Catastrophic	25	20	15	10	5																																									
	5 Almost Certain	4 Likely	3 Possible	2 Unlikely	1 Rare																																									
		6	7		4																																									
		16	15		3																																									
		18	17		2																																									
	14 5 2	8	1		1																																									
		13	10																																											
	11																																													
	Administration & Communication Risks					Impact																																								

In accordance with the Northamptonshire Pension Fund Risk Policy, information relating to the ongoing monitoring and management of risks will be provided on a quarterly basis to the Northamptonshire Pension Fund Committee and the Pension Board . The information relating to the key risks, new risks , movement of risks and changes to agreed actions is included in each Update report.

Governance Risks Summary

Risk no:	Risk	Strategic objective at risk (see key)	Risk category	Impact (see key)	Likelihood (see key)	Risk Status	Internal controls in place	Further Action?	Owner	Last Updated	Previous Impact	Previous Likelihood	Previous Risk Status	Risk removed (date)
Key Risks (ranked 8 or above):														
2	Those charged with governance of the Fund and Scheme are unable to fulfil their responsibilities effectively.	2 & 3	Resource/Skill	4	2		Knowledge Management Policy is in place which requires the Pensions Committee/Sub Committee and Board members to receive continuing training. New members receive induction training. The Fund subscribes to relevant professional bodies such as LAPFF & PALSAs and sends representatives to major conferences.		Governance Team	30/01/2017				
17	Failure by the Fund or Employers to meet requirements (including statutory) to ensure members are not disadvantaged.		8 Resource/Skill	4	2		Key Performance Indicators for both the Fund and Employers which are reported to management on a monthly basis and Committee on a quarterly basis. Service Level Agreements in place with some employers to ensure expectations are documented. LGSS website holds a wealth of information regarding responsibilities as do other websites such as the DCLG.		Governance Team	30/01/2017				
New Risks:														
1	Failure to administer the scheme in line with regulations and policies	1,2, & 3	Regulatory/Compliance	4	1		Administration and Communication Policy, up to date knowledge through various sources such as SAB and DCLG. Up to date training and attendance at conferences. Receipt of professional bulletins and publications. Attendance at working groups such as EMPOG/SECSOG. Work with external governance advisors where appropriate.		Governance Team	30/01/2017				
2	Those charged with governance of the Fund and Scheme are unable to fulfil their responsibilities effectively.	2 & 3	Resource/Skill	4	2		Knowledge Management Policy is in place which requires the Pensions Committee/Sub Committee and Board members to receive continuing training. New members receive induction training. The Fund subscribes to relevant professional bodies such as LAPFF & PALSAs and sends representatives to major conferences.		Governance Team	30/01/2017				
3	Production of incorrect accounts, notices and publications	1 & 2	Resource/Skill	3	1		Robust sign off process in place dependent upon the document (AR/SOA/Communications)		Governance Team	30/01/2017				
5	Policies and Strategies not being in place and up to date	1& 2	Regulatory/Compliance	2	2		Policies and strategies in place and on the LGSS Pension website, new policies developed when appropriate and all policies and strategies are reviewed on at least a yearly basis.		Governance Team	30/01/2017				
6	Failure to recognise/manage conflicts of interest	2 & 10	Resource/Skill	2	2		Declaration of interests at the beginning of each meeting for non-County Councillor members. County Councillor declaration register held by Democratic Services. Conflicts of interest Policy & training to ensure Committee and Board members are aware of potential conflicts and how to deal with them (Pension Regulator Tool Kit covers this)		Governance Team	30/01/2017				
7	Risk of manual changes when producing management reports leading to lack of audit trail	2 & 10	Administration	2	2		Automated extraction of data where viable and agreed procedures for reporting		Governance Team	30/01/2017				
8	Potential fraudulent activity by staff	2 & 10	Resource/Skill	5	1		Robust checking system in place, log in security, Altair multiple log in requirements, locked records for pension staff, pension staff not authorised to access family/friends records		Governance Team	30/01/2017				
9	Potential fraudulent activity by scheme members	2 & 10	Administration	3	2		National Fraud Initiative participation, investigation of returned payroll slips, sight of certificates before payments made, few cheque payments made.		Governance Team	30/01/2017				
10	Lack of knowledge amongst Committee and Board members due to high turnover		3 Resource/Skill	3	2		Knowledge Management Policy in operation which includes compliance with the CIPFA Knowledge and Skills Framework, attendance at internal/external training events and engagement with peer group.		Governance Team	30/01/2017				
11	Failure of succession planning for key roles on the Committee and Board leading to the inability to pick up work if a member is sick/leaves		3 Resource/Skill	2	2		Knowledge Management Policy in operation which includes compliance with the CIPFA Knowledge and Skills Framework, attendance at internal/external training events and engagement with peer group.		Governance Team	30/01/2017				
12	Failure of officers to maintain a sufficient level of competence to discharge their duties		3 Resource/Skill	2	2		Internal training upon appointment, ongoing internal and external training courses/seminars, professional qualifications.		Governance Team	30/01/2017				

Risk no:	Risk	Strategic objective at risk (see key)	Risk category	Impact (see key)	Likelihood (see key)	Risk Status	Internal controls in place	Further Action?	Owner	Last Updated	Previous Impact	Previous Likelihood	Previous Risk Status	Risk removed (date)
13	Changes to the Local Government Pension Scheme and lack of expertise in the revised/new area		3 Regulatory/Compliance	2	2		Knowledge Management Policy in operation, the use of advisors where deemed applicable to provide relevant information and recommendations on particular areas.		Governance Team	30/01/2017				
14	Failure to have formal monitoring of Key Performance Indicators in place leading to officers being unable to produce accurate performance management reports.		5 Administration	2	2		Automated extraction through Altair which is reported at monthly management meetings and at quarterly Committee meetings. Also reported to teams at 1:1 meetings to address any performance issues.		Governance Team	30/01/2017				
15	Pension Fund objectives are not defined and agreed		4 Resource/Skill	2	2		Objectives are agreed as part of the Annual Business Plan and Medium Term Strategy by the Pensions Committee. Relevant objectives are referenced on every committee report to demonstrate the relevance of the report against the Fund objectives. The objectives also run through all our Policy documents to ensure they remain focused to the Funds goals		Governance Team	30/01/2017				
16	Failure to understand and monitor risk and compliance		5 Resource/Skill	3	2		Business Continuity plan in place and regularly tested. Active risk register in place, the Committee and Board are updated if there are any risk movements between scheduled reporting timescales.		Governance Team	30/01/2017				
17	Failure by the Fund or Employers to meet requirements (including statutory) to ensure members are not disadvantaged.		8 Resource/Skill	4	2		Key Performance Indicators for both the Fund and Employers which are reported to management on a monthly basis and Committee on a quarterly basis. Service Level Agreements in place with some employers to ensure expectations are documented. LGSS website holds a wealth of information regarding responsibilities as do other websites such as the DCLG.		Governance Team	30/01/2017				
18	Failure to act professional when dealing with stakeholders leading to lack of confidence in the Fund		10 Resource/Skill	3	1		Knowledge Management Policy in force to ensure officers have a good level of knowledge and officers are encouraged to undertake a professional qualifications. The section is working towards Customer Excellence accreditation to ensure the core focus is the customer across the service.		Governance Team	30/01/2017				
19	Failure to provide adequate information to the Pension Committee/Pension Board		15 Resource/Skill	2	2		Committee Papers provided on a quarterly basis providing key information relating to the Fund. Yearly effectiveness reviews for Committee members are carried out to identify if any changes need to be made by officers when communicating information to the Committee.		Governance Team	30/01/2017				

Removed Risks:

Key Changes (moved by 3 or more):

None