

Risk Ref	Risk Identified	Potential Consequence	Date Identified	Service Area	Inherent Profile	Owner	Portfolio Holder	Director or Head	Control/Action	Control Action Details	Residual Profile
GOVERN0001	Failure to collect and account for pension contributions being paid over to the Fund on time by Fund employers.	Adverse audit opinion, potential delays to Fund employer financial reporting; and potential delay to production of annual report and accounts.	02/12/2019	Governance Risk	Medium	Chris Hurst	Cllr David Thomas	Jane Thomas	Contributions received monitored on a monthly basis by Fund accounting staff. Requirement that each end of scheme year, Fund employers certify they have paid over contributions at the correct rates and time	Contributions received monitored on a monthly basis by Fund accounting staff.	Medium
GOVERN0002	Insufficient Fund cashflow to meet liabilities as they fall due.	Immediate injections of cash from Fund employers would be required where Fund assets cannot be liquidated quickly. For now the Fund is cashflow positive but will not remain so for much longer, therefore requiring the use of investment income to subsidise the payment of pension benefits rather than being reinvested as now.	03/10/2016	Governance Risk	High	Chris Hurst	Cllr David Thomas	Jane Thomas	Cashflow forecast in place. Review strategic asset allocation to keep positive cashflow	Funding strategy statement in place	Medium
GOVERN0003	Inability to deliver service as a result of the loss of key personnel	Failure to provide service at all, or at an acceptable level	27/09/2016	Governance Risk	Medium	Chris Hurst	Cllr David Thomas	Jane Thomas	Business Continuity Plan in place for the pensions administration service. Keep Business Continuity Plan under review	Assurances received from all systems providers in relation to their current resilience to the threat of a failure in cyber security.	Medium
GOVERN0004	Loss of funds through fraud or misappropriation	Financial loss to the Fund	08/11/2016	Governance Risk	Medium	Chris Hurst	Cllr David Thomas	Jane Thomas	Audit and control tests, due diligence done when new manager appointed	Internal and External Audit regularly test that appropriate controls are in place and are working effectively. Due diligence is carried out whenever a new investment manager is appointed.	Low
GOVERN0005	Significant rise in employer contribution rates for Fund employers with strong covenants, as consequence of increases in liabilities.	Employer contribution rates rise to unacceptable levels, putting upward pressure on Council Tax rates and the ability of Powys County Council to continue to deliver services to its communities.	04/09/2017	Governance Risk	Medium	Chris Hurst	Cllr David Thomas	Jane Thomas	Employers have Discretionary Powers Policies that help to control liabilities. Insurance options investigated as a potential mitigation.	Employers have Discretionary Powers Policies that help to control liabilities. In reality, little can actually be done in mitigation due to the fact that liabilities are largely determined by bond yields that are outside of the Fund's control.	Low
GOVERN0006	Significant rises in employer contribution rates for Fund employers with weak covenants as a consequence of increases in liabilities.	Employer contribution rates rise to unsustainable levels that cause employers to become insolvent	04/10/2016	Governance Risk	Medium	Chris Hurst	Cllr David Thomas	Jane Thomas	In process of developing risk sharing arrangements to enable employers with weak covenants to attain a degree of certainty	Employers have Discretionary Powers Policies that help to control liabilities. In reality, little can actually be done in mitigation due to the fact that liabilities are largely determined by bond yields that are outside of the Fund's control. In process of developing risk sharing arrangements to enable employers with weak covenants to attain a degree of certainty over the level of employer contribution rates.	Medium
GOVERN0007	Significant rises in employer contribution rates for employers with strong covenants as a result of poor/negative investment returns.	Employer contribution rates rise to unacceptable levels that result in Powys County Council being unable to provide appropriate services for its communities.	04/09/2017	Governance Risk	Medium	Chris Hurst	Cllr David Thomas	Jane Thomas	Use expert specialist consultants to help set and monitor investment strategy and investment manager performance and selection. Continual monitoring of performance; review of asset allocation strategy, including consideration of alternative asset classes	Use expert specialist consultants to help set and monitor investment strategy and investment manager performance and selection. Quarterly investment performance reports presented to Pension Fund.	Low
GOVERN0008	Failure to comply with LGPS and other statutory regulations.	Payment of incorrect pension benefits; provision of incorrect benefit estimates; failure to comply with governance standards; failure to meet HMRC tax requirements. Resulting in: loss of customer satisfaction / confidence; IDRP and Ombudsman appeals; TPR fines for non-compliance.	11/10/2017	Governance Risk	Medium	Chris Hurst	Cllr David Thomas	Jane Thomas	Rigorous checking/authorisation procedures for pension benefit calculations and payments, review governance policy; Closer partnership working with employer payrolls to facilitate accurate data receipts;	Rand, regular review of governance compliance policy. Staff training and development.	Medium
GOVERN0009	Lack of expertise of Pension Fund Officers and Senior Officers	Poor decision making in relation to principal functions of the Pension Fund, particularly in relation to investments.	25/01/2016	Governance Risk	Medium	Chris Hurst	Cllr David Thomas	Jane Thomas	Training plans based on the CIPFA 'Knowledge and Skills' framework, as is the the procedure for members of both PIC & PB. training and performance reviews, conferences, seminars to upskill and develop knowledge	Formalised Officer training via individual training plans based on the CIPFA 'Knowledge and Skills' framework, as is the the procedure for members of both Pensions & Investment Committee and the Pensions Board.	Medium
GOVERN0010	Over-reliance on key Officers	When senior Officers leave or are absent due to long term sickness, large knowledge gaps remain.	25/01/2016	Governance Risk	High	Chris Hurst	Cllr David Thomas	Jane Thomas	In the short term, knowledge gaps can be filled by using our external colleagues from other Welsh Funds and buying in assistance. Formalise succession planning by including in Officer individual training plans for less senior Officers.	In the short term, knowledge gaps can be filled by using our external colleagues from other Welsh Funds and buying in assistance from consultants.	Medium
GOVERN0011	Failure to provide the pensions service in accordance with principles of equality.	Some stakeholders may be unable to access the service fully or at all. In the worst case scenario, this could result in court action against the Fund.	26/01/2016	Governance Risk	High	Chris Hurst	Cllr David Thomas	Jane Thomas	The Fund maintains a Welsh Language register in respect of scheme members and employers. To utilise technology to enable access to service and information for stakeholders with disabilities, other language needs etc.	The Fund maintains a Welsh Language register in respect of scheme members and employers.	Medium
GOVERN0012	Failure to collect payments due from ceasing employers with no active members.	Failure to collect cessation payments from ceasing employers results in relevant liabilities being funded by the Powys Pension Fund and the active employers.	25/01/2016	Governance Risk	Medium	Chris Hurst	Cllr David Thomas	Jane Thomas	employer covenants, guarantor bonds, risk sharing agreements	The Fund undertakes periodic reviews of the strength of employer covenants. For existing employers, the Fund requires that a guarantor, bond or 'risk sharing agreement' is in place. For all new employers, the Fund insists on either a guarantor or a bond being in place.	Medium
GOVERN0013	Lack of expertise of members of Pensions & Investment Committee	Poor decision making in relation to all aspects of the Fund, particularly those in relation to investment.	25/01/2016	Governance Risk	High	Chris Hurst	Cllr David Thomas	Jane Thomas		To seek funding guarantees wherever possible, from other Scheme employers or outside bodies. To require, in all cases, a bond or other form of security to protect the Fund in the case of unexpected cessation and insolvency. Ensuring that admitted bodies are fully aware of their obligations and responsibilities to the Pension Fund and the benefits of their employees.	Medium
GOVERN0014	An admitted body ceasing to exist with insufficient funding or level of a bond available to meet all its Fund liabilities.	Unfunded pension liabilities being orphaned without sufficient funding/guarantees in place, resulting on increased liabilities falling on other Fund employers.	01/11/2017	Governance Risk	Medium	Chris Hurst	Cllr David Thomas	Jane Thomas	To seek funding guarantees wherever possible, from other Scheme employers or outside bodies. Regular review of admitted body covenants and financial health.	To seek funding guarantees wherever possible, from other Scheme employers or outside bodies. To require, in all cases, a bond or other form of security to protect the Fund in the case of unexpected cessation and insolvency. Ensuring that admitted bodies are fully aware of their obligations and responsibilities to the Pension Fund and the benefits of their employees.	Medium
GOVERN0015	Appointment of new Pension Board Chair in July 2021 and additional Scheme member and Employer Representatives.	Non compliance with Public Services Pension Act. Challenge and scrutiny from the Pensions Regulator. Reduced quality of governance.	09/10/2020	Governance Risk	High	Chris Hurst	Cllr David Thomas	Jane Thomas			Medium
GOVERN0016	Pension Fund Personnel and/or key suppliers are unable to work due to extreme weather, fire, epidemics	Inability to deliver administration services or investment of the Fund. Impact of welfare of Pensions Section Staff.	29/03/2020	Governance Risk	High	Chris Hurst	Cllr David Thomas	Jane Thomas	Business Continuity Plan	Business Continuity Plan, assessment of Pensioner Payroll services. Electronic implementation of paperwork.	Medium