Risk Register with Controls Reference Order

Governance Risk			*Portfolio*	Uncontrolled	Current	Controls and Actions		
Risk Ref	**Risk Identified**	**Potential Consequence**	**Assigned To**			**Control or Action**	**Status**	**Review Date**
GOVERN0001	Failure to collect and account for pension contributions being paid over to the Fund on time by Fund employers. Potential Reputational Risk. **Latest Review**: 25/11/2025 Newly appointed Employer Officer in place. Process will be revisited and refined with the additional resource	Adverse audit opinion, potential delays to Fund employer financial reporting; and potential delay to production of annual report and accounts.	*Cllr David Thomas* Chris Hurst	6	4	• **Contrbutions received monitored on a monthly basis by Fund accounting staff.** Contrbutions received monitored on a monthly basis by Fund accounting staff.	Control In Place	
						• **Requirement that each end of scheme year, Fund employers certify they have paid over contributions at the correct rates and time** Requirement that each end of scheme year, Fund employers certify that they have paid over contributions at the correct rates and on time. regular Communications to Employers to remind them of their responsibilities. production of the Employer Policy to help Employers.	Control In Place	
GOVERN0002	Insufficient Fund cashflow to meet liabilities as they fall due. Potential Reputational Risk. Pensioners not paid on time. **Latest Review**: 30/03/2026 Considered in detail at Pensions and Investment Committee meeting in March 2026 and plan in place to manage.	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. Pensioner members not paid on time.	*Cllr David Thomas* Chris Hurst	9	6	• **cashflow forecast in place** Funding strategy statement in place	Control In Place	
						• **review strategic asset allocation to keep positive cashflow** Strategic asset allocation review completed to ensure that cashflow remains positive (on a targeted and monitored basis) whilst at the same time ensuring that the Fund is not forced to liqiudate assets on an unplanned basis.	Control In Place	
GOVERN0003	Inability to deliver service as a result of the loss or over reliance of key personnel. This includes retention of Senior staff (such as the Senior LGPS Officer). **Latest Review**: 30/03/2026 The Fund has implemented a knowledge sharing process to reduce reliance on key personnel. Considered within the Business Continuity Plan, which will be further reviewed as a result of the Fit For The Future Regulations.	Failure to provide service at all, or at an acceptable level	*Cllr David Thomas* Chris Hurst	9	6	• **Business Continuity Plan in place for the pensions administration service** Assurances received from all systems providers in relation to their current resilience to the threat of a failure in cyber security. *02/04/2026 Draft prepared. Will review in Q1/Q2 of 2026.*	Action In Progress	02/10/2026
						• **Keep Business Continuity Plan under review** Regularly review BCP (consider all aspects including remuneration etc)	Control In Place	

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						• **Knowledge Gaps** In the short term, knowledge gaps can be filled by using our external colleagues from other Welsh Funds and buying in assistance. In the longer term, ensure succession plans are in place and appropriate.	Control In Place	
GOVERN0004	Loss of funds through fraud or misappropriation **Latest Review**: 30/03/2026 Mandatory Training and appropriate processes in place.	Financial loss to the Fund. Reputational damage.	*Cllr David Thomas* Chris Hurst	6	2	• **audit and control tests, due diligence done when new manager appointed** Internal and External Audit regularly test that approriate controls are in place and are working effectively. Due diligence is carried out whenever a new investment manager is appointed.	Control In Place	
GOVERN0005	Significant rise in employer contribution rates for Fund employers with strong covenants, as consequence of increases in liabilities. **Latest Review**: 09/01/2026 valuation ongoing with new contribution rates taking effect from 1st April 026. he Fund has worked closely with the Actuary throughout this process	Employer contribution rates rise, putting upward pressure on Council Tax rates and the ability of Powys County Council to continue to deliver services to its communities.	*Cllr David Thomas* Chris Hurst	6	2	• **Employers have Discretionary Powers Policies that help to control liabilities** 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 upon exit are largely determined by bond yields that are outside of the Fund's control. Active employers can have risk mitigations in place such as risk sharing arrangements and bonds.	Action In Progress	09/07/2026
						09/01/2026 *Considered in 2025 Valuation exercise. Discretions review to take place in 2026.*		
						• **insurance options investigated** Investigate further liability mitigations such as ill health strain insurance; developing guidance to assist employers to manage liability increases derived from their actions or inactions; and, work closely with the Fund actuary to determine appropriate valuation assumptions and deficit recovery strategies.	Action In Progress	02/07/2026
						02/04/2026 *Considered in the 2025 valuation work*		
GOVERN0006	Significant rises in employer contribution rates for Fund employers with weak covenants as a consequence of increases in liabilities. **Latest Review**: 09/10/2025 Will be considered in 2025 valuation exercise	Employer contribution rates rise to unsustainable levels that cause employers to become insolvent	*Cllr David Thomas* Chris Hurst	8	4			

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						• **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 at exit are largely determined by bond yields that are outside of the Fund's control. Risk mitigations whilst active include risk sharing agreements and bonds. Consider risk sharing arrangements to enable employers with weak covenants to attain a degree of certainty over the level of employer contribution rates. *02/04/2026 Process in place which is ongoing.*	Action In Progress	31/03/2027
GOVERN0007	Significant rises in employer contribution rates for employers with strong covenants as a result of poor/negative investment returns. **Latest Review**: 09/01/2026 Considered in 2025 Valuation	Employer contribution rates rise that result in Powys County Council being unable to provide appropriate services for its communities.	*Cllr David Thomas* Chris Hurst	6	2	• **Continual monitoring of performance; review of asset allocation strategy, including consideration of alternative asset clasees** Continual monitoring of performance; review of asset allocation strategy, including consideration of alternative asset clasees and non-market led assets. *02/04/2026 No change to process. It is continuous and ongoing.*	Action In Progress	02/07/2026
						• **Use expert specialist consultants to help set and monitor investment strategy and investment manager performance and selection.** 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.	Control In Place	
GOVERN0008	Failure to comply with LGPS and other statutory regulations. Potential Reputational Risk. Complexity and expectations within the regulations of the LGPS following regular amendments. **Latest Review**: 30/03/2026 Regular, ongoing, reviews of processes in place	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.	*Cllr David Thomas* Chris Hurst	8	6	• **Rigorous checking/authorisation procedures for pension benefit calculations and payments, review governance policy;** Regular review of governance compliance policy. Staff training and development. Internal Audit Report which focusses on administration and processing.	Action Completed	
						• **Closer partnership working with employer payrolls to facilitate accurate data receipts;** Closer partnership working with employer payrolls to facilitate accurate data receipts; increased compliance oversight provided by well established Pensions Board.	Control In Place	

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GOVERN0009	Lack of expertise of Pension Fund Officers and expertise of members of the Pensions & Investment Committee. Complexity of the LGPS means significant training of Officers and Committee required. **Latest Review**: 30/03/2026 Annual Training Needs Assessments carried out of Committee and Board. Increased expectations in the Fit For The Future regulations means development of the training plan in 2026.	Poor decision making in relation to principal functions of the Pension Fund , particularly in relation to investments. Incorrect pension benefits paid to scheme members.	*Cllr David Thomas* Chris Hurst	8	6	• **training and performance reviews, conferences, seminars to upskill and develop knowledge** Officers ensure that they receive appropriate training and are required to keep up to date with developments in pensions matters, as part of their periodic Individual Performance Reviews and by attending relevant conferences and seminars, by reading and through discussions with consultants and peers. • **Training plans based on the CIPFA 'Knowledge and Skills' framework, as is the the procedure for members of both PIC & PB** 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. Knowledge & Skills Framework in place and published. Annual Training Needs Analysis carried out and training made available to Committee and Board regularly (provided by Fund, WPP and 3rd parties)	Control In Place Control In Place	
GOVERN0011	Failure to provide the pensions service in accordance with principles of equality. **Latest Review**: 09/01/2026 No changes or updates.	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.	*Cllr David Thomas* Chris Hurst	9	4	• **The Fund maintains a Welsh Language register in respect of scheme members and employers.** The Fund maintains a Welsh Language register in respect of scheme members and employers. • **To urtilise technology to enable access to service and information for stakeholders with disabilities, other language needs etc.** To urtilise technology to enable access to service and information for stakeholders with disabilities, other language needs etc.	Control In Place Control In Place	
GOVERN0012	Failure to collect payments due from ceasing employers with no active members. **Latest Review**: 09/10/2025 Contribution Monitoring and Employer Policy in place setting out expectations	Failure to collect cessation payments from ceasing employers results in relevant liabilities being funded by the Powys Pension Fund and the active employers.	*Cllr David Thomas* Chris Hurst	6	4	• **employer covernants, 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.	Control In Place	

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GOVERN0014	An admitted body ceasing to exist with insufficient funding or level of a bond available to meet all its Fund liabilities. **Latest Review**: 09/01/2026 Regular Risk reviews take place. Considered during valuation exercise	Unfunded pension liabilities being orphaned without sufficient funding/guarantees in place, resulting on increased liabilities falling on other Fund employers.	*Cllr David Thomas* Chris Hurst	6	4	• **Regular review of admitted body covenants and financial health.** Regular review of admitted body covenants and financial health. *09/10/2025 Employer Risk review completed in early 2025* • **To seek funding guarantees wherever possible, from other Scheme employers or outside bodies** 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.	Action In Progress Control In Place	01/10/2026
GOVERN0016	Pension Fund Personnel and/or key suppliers are unable to work due to extreme weather, fire, epidemics. Also potential impact of Employers not being able to function accordingly. **Latest Review**: 02/04/2026 Business Continuity Plan in place with a full review due in 2026.	Inability to deliver administration services or investment of the Fund. Impact of welfare of Pensions Section Staff. Employers unable to provide information/payments to Pension Fund in accordance with legislation.	*Cllr David Thomas* Chris Hurst	9	4	• **Business Continuity Plan** Risk Mitigations in place such as Business Continuity Plan, assessment of Pensioner Payroll services. Electronic implementation of paperwork.	Control In Place	