

LPF Risk Register

LPF group wide risks.

Last updated: Risk Management Group (RMG) meeting 2 May 2024



Risk Ref	Level 1 Risk	Level 2 Risk	Risk name	Risk Description	Entity	Current Risk	Previous Risk Rating
17	People & Culture	People & Culture	Resources	Key person dependencies (particularly in significant roles or small teams) and resourcing could affect LPF's ability to meet strategic objectives and legal and regulatory requirements and expectations	All	↑	
16	People & Culture	People & Culture	Recruitment & retention	Ability to attract, recruit, engage and retain talent leading to workforce capability gaps could affect LPF's ability to meet strategic objectives and legal and regulatory requirements and expectations	All	↔	
7	Governance Legal & Compliance	Governance	Discharge of responsibilities and accountabilities	Pension Committee or Board don't effectively discharge their responsibilities and accountabilities to the fund and decisions are taken against sound advice, beyond delegated authorities, on political grounds or due to lack of knowledge or attendance	LPF	↔	
25	Governance Legal & Compliance	Governance	Best practice governance	Failure to operate within corporate governance best practice and principles could impact strategic decision making and may lead to project failure, increased costs, poor morale and/or regulatory censure	All	↔	
28	Governance Legal & Compliance	Regulatory Compliance	Conflicts of Interest	Conflicts of interest in relation to the Fund or the group companies are not adequately raised or managed and could impact operational or strategic decision making	All		
2	Information Security IT & Data	Data	Data Management	Mis-management or poor maintenance and protection of data could lead to operational errors, regulatory breaches/fines or reputational damage	All	↔	
13	Business Operations	Third Party	Supplier performance and oversight	Sub-optimal service performance/delivery, management and oversight of third party suppliers could lead to lack of resiliency and/or material errors and breaches	All	↔	
29	Strategic	Strategy	Unplanned Expenditure	Delays to sub-leasing LPF's previous office premises at Atria One could lead to unplanned 24/25 budget expenditure and reputational damage among members and employers	LPF		
9	Business Operations	Business Continuity	Business Interruption	Significant and/or extended business interruption (including third party suppliers) leading to a failure or inability to complete key LPF processes	All	↑	
6	Business Operations	Processing & Execution	Investment operations errors	Material or systemic investment operational errors impacting LPF and/or LPFI clients (such as trading errors) could result in operational losses, regulatory breaches or reputational damage	All	↑	
19	Investment Management	Investment Management	Investment Strategy	Investment strategy does not deliver investment objectives due to incorrect implementation, investments falling outside agreed risk parameters or inadequate JISP governance. This could lead to a fall in funding levels and inability to meet liabilities.	LPF and LPFI	↔	
18	Strategy	Climate	Climate change & Responsible Investing	LPF don't adequately address Environmental, Social and Corporate Governance factors within the company, with service providers, and through underlying investments, due to lack of climate or sustainability strategy. This could lead to missed opportunities, regulatory scrutiny, financial loss and reputational or stakeholder damage	All	↔	
11	Information Security IT & Data	Information Security & Cyber	Cybersecurity	Inadequate cyber and data security arrangements to protect LPF from information security threats and cyber-attacks could prevent key operational processes from being undertaken and lead to financial losses and reputational damage	All	↔	
4	Governance Legal & Compliance	Regulatory Compliance	Regulatory breach	LPF do not meet regulatory obligations leading to enforcement action or fines and reputational damage	All	↔	
10	Information Security IT & Data	Technology	IT systems	LPF's IT does not meet operational requirements due to inadequate IT hardware or software leading to material or extended service delivery issues	All	↔	
24	Information Security IT & Data	Data	Data integrity and quality	Data used to fulfil member, employer, client, regulatory or reporting requirements, and trigger actions or inform decision making, comes from multiple sources and systems and may contain errors	All	↑	
21	Strategy	Strategic	Strategic Goals	Strategic goals are unclearly defined and/or inconsistently implemented	All	↔	
1	Investment Management	Investment Management	Investment Performance	Investment returns are less than expected due to fall in fair price of securities including equities, bonds, real assets could impact value of the fund and consequently funding levels and liabilities	All	↔	
27	Business Operations	Processing & Execution	Operational errors	Material or systemic operational errors, in relation to members, employees or clients (such as pension payment errors) could result in operational losses, regulatory breaches or reputational damage	LPF	↔	
8	Business Operations	Processing & Execution	Investment services delivery	Delivery of LPFI's investment services do not meet client expectations or requirements or regulatory obligations		↔	

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5	Scheme	Employer Contributions	Employer failure	Failure of an employer with a deficit, or failure to pay required contributions, or failure to fulfil a funding agreement on cessation may lead to the balance to be met by higher contributions from remaining employers	LPF		
23	Scheme	Funding	Unexpected drop in funding	Unexpected drop in funding levels may require higher employer contributions which may be unaffordable to employers	LPF		
22	Scheme	Funding	Meeting liabilities or capital requirements	Insufficient funds and liquid assets to meet liabilities or capital requirements which may arise through contribution payment failure by employers, unexpected employers exits, shortfall in expected investment income, unexpected investment calls and failure or delays of creditors and receivables	All		
20	Business Operations	Communication & Digitalisation	Communications	Unclear, misleading or out of date member or client communications compromises the quality of their decision-making, leading to member or client complaints and reputational damage as well as regulatory censure	All		
12	Business Operations	Business Change	Project and change activities	Ability to deliver internal or regulatory change in line with strategic or legal/regulatory expectations could overwhelm business areas through pressure on BAU processes, causing delivery delays or failures, and/or change fatigue and impacting organisational culture	All		
14	Business Operations	Internal Fraud	Fraud by LPF staff or relating to members	Challenges due to general cost of living increases could drive both employees and members to attempt to acquire assets or monies not belonging or due to them	All		
15	Business Operations	Communication & Digitalisation	Member engagement, servicing and reporting	Member engagement, servicing and reporting does not meet LPF's expected standards and corporate values contributing to operating inefficiencies, member dissatisfaction or complaints and reputational damage	LPF		
3	Conduct	Conduct	Unauthorised activity or poor conduct	Unauthorised activity or poor conduct behaviours by employees representing themselves or the firm could fall short of legal and regulatory standards and requirements	All		