

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
17 February 2022

WILTSHIRE PENSION FUND RISK REGISTER

Purpose of the Report

1. The purpose of this report is to update the Board in relation to changes to the Fund's Risk Register (see Appendix).

Background

2. The Committee approved a Risk Register for the Wiltshire Pension Fund at its meeting on 12 May 2009. A reconfiguration of the Risk Register took place during 2019 to make it a more dynamic document and the new design was approved by the Committee on 18th July 2019. Members requested that whilst a full Risk Register is maintained by officers only the following risks need to be highlighted to Committee on a quarterly basis.
 - New risks;
 - Risks which have changed or been re-categorised;
 - Risks which are rated red; and
 - Risks which are considered to have been mitigated & stabilised & can be recommended for approval to the register's ceased/dormant category for continued monitoring by officers only.
3. Under the reconfigured Risk Register strategy, the identification of risks will be more evidence based using the Scheme update, Business Plan, Audit recommendations, Minutes of meetings, the Fund's KPI dashboard and the Brunel and investment pooling data as sources of information for risk identification.

Key Considerations for the Committee / Risk Assessment

4. The significance of risks is measured by the interaction of the likelihood of occurrence (likelihood) and the potential impact of such an occurrence (impact). This register uses the Council's standard "4x4" approach, which produces a risk status of Red, Amber or Green (RAG).
5. During the last quarter no "new risks" were identified.
6. The evidence-based review of the register identified the following risk had changed or need to be recategorized;
 - **PEN043: Administration disruption and employer cost pressures cause by the Cost Cap review:** (From Amber to Green) GAD have indicated that the LGPS is in a strong financial position based on March 2019 information. GAD have made recommendations concerning the consistency of monitoring the cost pressures which will be reviewed by SAB. These include widening the cost corridor from 2% to 3% and a wider economic check on the outlook of the economy. Move from Horizon to Ongoing.
 - **PEN052: COVID-19:** (From Amber to Green) COVID-19 is an infectious global virus which WHO has classed as a pandemic in 2020. Since March 2020 significant strides have been made to the management of this pandemic with

Govt. rules now starting to be relaxed and the majority of the population vaccinated. As a result, risks to the ongoing operation of the Fund caused by the pandemic are now considered to be reduced. Officers will continue to monitor the situation, however there appears to be no immediate risk to the ongoing service the Fund provides.

- **PEN057: Failure to implement the Accessibility Regulations:** (From Amber to Green) An independent audit of the Fund's website took place in 2021 against the Accessibility Regulations and a positive outcome was received. Whilst the auditor Shaw Trust raised a small number of technical points, it is considered that the implementation of the regulations has been completed. Move from Dynamic to Closed.

7. Risks remaining “red”, high risk:

- **PEN018: Failure to set in place appropriate Cyber Security measures:** (From Amber to Red) In accordance with Committee Minute 90, dated 16 December 2021, the Fund's cyber security risk rating was increased to red until the Fund receives sufficient assurance from the Council's IT Dept. that this risk is being fully managed. Whilst measures are believed to be in place, active assurance is still required. An external consultant is to be appointed in order to provide members with an independent professional opinion on how this risk should be managed.
- **PEN022: Rectification of records with GMP issues – Time-consuming, costly & may causes reputational damage:** (From Red) Potentially incorrect liabilities being paid by the Fund as a result of GMP and other pension component values missing, incorrectly recorded or incorrectly valued. Consequently, progress with the Pensioner Payroll Database reconciliation project may impact on the Fund's liabilities and its reputation.
- **PEN042: Significant retrospective legislation changes related to the McCloud case:** (Red) Following the release of the Government's consultation document in July 2020 analysis of the Scheme's members who may be affected was undertaken. Indications suggest that potentially c27k members may be affected, as well as increasing the work on several supplementary administrative tasks. The impact actuarially speaking is likely to be minimal. Final regulation is expected by October 2023 and officers have put in place a project plan to gather the data required to fulfil the regulations. Members requested that it be kept as a red risk until the administrative impact is completely clear.
- **PEN048: The transition of the pooling of LGPS assets with BPP fails to deliver the projected savings:** (Red) Progress and updates should continue to be regularly reported to Committee. An independent audit has been conducted in 2021 and has been presented to the Board & Committee for consideration. A further audit has been commissioned for 2022.

8. Only one risk, PEN057 on the risk register is recommended for removal from quarterly presentation to the Board. PEN057 is highlighted in paragraph 6 above.

Financial Implications

9. No direct implications.

Legal Implications

10. There are no known implications from the proposals.

Environmental Impacts of the Proposals

11. There is no known environmental impact of this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

12. There are no known implications currently.

Proposals

13. The Board is asked to note the attached Risk Register and recommend the changes/actions made by officers in points 6 to 8 to the Committee.

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Unpublished documents relied upon in the production of this report: NONE
