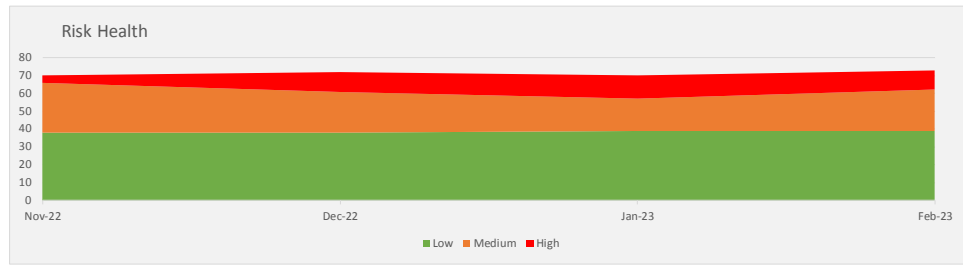
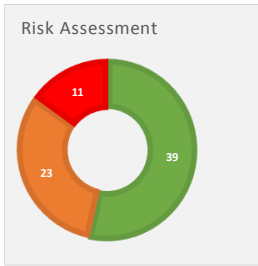


# Committee Risk Register

Owner: Richard Bullen

Medium Overall Risk



Risk Area	Key Risks	Risk Assessment	Updates to note
Administration	<p>Whilst Incoming post was managed in February and productivity had increased, work volumes remain high, and there is still a failure to meet the KPI targets.</p> <p>Resourcing constraints means that work is not being received and allocated in a timely manner.</p> <p>Issues with post being received/sent and records updated in an accurate and timely manner.</p> <p>Not making the best use of bulk upload processing to improve efficiencies.</p> <p>A manual adjustment process is required for cases of flexible retirement in relation to the CARE screen for the ongoing active at the first year end following retirement</p>	High	<p>As part of the business plan 2022/2023, the backlog was outsourced to Hymans.</p> <p>An work allocation system has been embedded for member services (with employer services to follow), which is forward-looking and enables tasks which are about to go out of date to be prioritised. The business plan 23/24 will seek to further improve on this.</p> <p>Weekly KPIs are now circulated and analysed, and weekly insights have been launched for the member services team (employer services to follow), which show staff productivity.</p> <p>Embedding the use of bulk processing is required to support this.</p> <p>The year end process concerning flexible retirees needs to be updated.</p>
Systems Management	<p>Poor KPI reporting providing incorrect data which could lead to poor decisions being made.</p> <p>Old user accounts and inaccurate profiles which aren't being removed on a timely basis and being attributed to team members, means users could access/perform tasks that they shouldn't be completing.</p> <p>Ineffective controls of mortality screening could result in the paying of benefits that should have ceased.</p> <p>It is noteworthy to highlight that the Council's contract will SAP expires in December 2023</p>	Medium	<p>Insights, a new software tool provided by the Fund's database manager has enabled more accurate and timely reporting. User Accounts and Profiles are monitored, but reporting that monitoring requires development.</p> <p>A re-tender exercise has been completed in respect of the Fund's current mortality screening and training provider. The new appointment will start from 1st April.</p> <p>The migration to a new payroll databases is crucial. In addition, other SAP functions such as HR could also impact the Fund. Implementation of the Altair payroll to migrate the cessation of SAP will help, however the Fund remains reliant on the Council's Evolve programme to move forward.</p>
Investment	<p>Investment performance by managers is poor or misaligned with expectations leading to risk of funding level, achievement of investment strategy and poor benchmarking.</p> <p>BPP needs to operate effectively to ensure funds are well managed, investments made on a timely basis and delivering their objectives.</p> <p>A letter responding to recent SRM's has increased this risk to red.</p> <p>BPP has been set up to deliver cost savings, if mismanaged this could lead to higher costs and poor investment returns.</p>	High	<p>Fund is working with Brunel on pooling arrangements. The Fund is currently benefitting from net fee savings, but costs are under constant pressure to rise with high budget increases being proposed. A key person departure also raises concerns about resourcing.</p> <p>BPP's governance continues to be monitored due to concerns over levels of pay, budgets and staff losses. This is likely to increase following the SRM response.</p>
Employer Management	<p>Employers not engaging with the Fund highlighted through poor data, poor timeliness of submissions and not complying with the regulations. This can lead to poor decision-making effecting scheme members</p> <p>Contacts have inadequate knowledge, skills and experience to administer the Scheme correctly and effectively. In addition, current contact maintenance requires improvement.</p> <p>Employers are not set up, maintained or leave the Fund correctly, due to the starting funding position, unitisation adjustments, pooling or cessation arrangements are either not timely or incorrect.</p> <p>Employers not joining the Fund in line with legislation e.g. unsigned admission agreements, resolutions not being passed and not keeping track of mergers/demergers.</p>	Medium	<p>As mentioned under Performance the Fund offers training to employers to mitigate the risks highlighted. With increased academisation of Schools, MAT breakups and cross fund movements if all schools were to convert, then the number of employers in the Fund could jump from 180 to between 400 and 500</p> <p>Implementation of the Stabilisation Policy limits increases security for employers. The Fund also works closely with their Actuarial advisers to ensure new sets up are managed correctly. In addition, officers need to maintain the Fund's unitisation database.</p> <p>The completion of Admission Agreements will assist areas such as i-connect and contribution reconciliation. Monthly meetings are now being held with Legal Services to conclude outstanding agreements.</p> <p>An exercise updating the employer contacts is being reviewed.</p>
Data Management	<p>Information is posted through i-Connect or employer spreadsheets late which can delay processing. In addition, a lack of i-Connect checks may impact data accuracy.</p> <p>There's risk that cessations are not advised resulting in delays to the start of this process.</p> <p>A TUPE issue within Altair where a Heywood change has impacted the valuation reporting function. This has affected cessation reporting too.</p> <p>Employer asset and liability allocations should be monitored to avoid throwing out an employer's funding position.</p> <p>With the Pension Increase exercise due a risk of associated tasks not being completed will need to be monitored.</p>	Medium	<p>To enable the i-Connect onboarding process officers are working closely with the outstanding employers, particularly where they are major employers who will have an impact on the Fund. Relevant checks associated with i-Connect submissions are being reviewed.</p> <p>The TUPE &amp; cessation reporting issue has been resolved as part of a new Heywood's release.</p> <p>Assignment of the responsibility to a specific officer as well as accurate transaction coding and Altair reporting should be implemented.</p> <p>Work on reviewing short-term widows pensions is being implemented</p>
Stakeholder Engagement	<p>Inaccuracy of communications by the Fund could result in reputational damage.</p> <p>There is a risk that as a Fund we are delivering poor customer service to our members, with slow response times and disclosure breaches.</p>	Medium	<p>Peer review arrangements are in place prior to publication and a strategy to maintain the compliance and content on MSS &amp; the website is being implemented</p>
Resourcing	<p>The Fund is not appropriately resourced and staff all adequately trained to enable the service to be delivered in a sustainable and reliable way.</p> <p>In addition, key departures are leading to a loss of crucial knowledge in the team.</p>	High	<p>Key people in the team are seeking to transfer specialist knowledge to colleagues by documenting procedures and notes. In addition, a training strategy is under review for the department. However, in the event of a knowledge gap, we can call on our external consultants and independent advisors for help in the short-term;</p> <p>Following a recent restructure, there are currently several vacancies in the team which will need to be recruited to. A recruitment campaign involving specialist recruitment agencies has been instigated and some places have been filled.</p>
Climate risk	<p>Failure to manage the risks in the investment portfolios, and/or to take advantage of the investment opportunities which arise from transition to a low carbon economy could cause the Fund to suffer material negative financial impacts.</p>	Medium	<p>The Fund has a climate change policy (within the responsible investment policy), decarbonisation targets, and has assessed alignment of all portfolios.</p> <p>The Fund already reports against the requirements of the Task Force on Climate-related Financial Disclosures (TCFD).</p>
Projects	<p>Projects are managed by a designated Project Manager. Key projects currently being managed are the Backlogs project, the rectification project and McCloud. The first two have been outsourced to 3rd party administrators. Regular updates are provided to the management team, Committee and Board in respect of the McCloud.</p> <p>At present, the outsourced backlog and rectification projects are progressing, however the McCloud has faulted. Other key Fund projects include the annual PI exercise.</p> <p>A delay in the Evolve programme is also contributing to risk in this area.</p>	Medium	<p>As part of the oversight of Evolve Payroll Programme periodic strategic updates are received from the s151 Officer to assess level of risk;</p> <p>Significant retrospective legislation changes related to the McCloud case could lead to higher levels of administration resource. Factors addressed by the restructure and the business plan. In addition, factors relating to consistent working practices are being resolved.</p> <p>To mitigate delays on McCloud the Project Manager is working with internal and external stakeholders to set milestones and reporting frameworks.</p> <p>Mitigations relating to the Evolve project involve the implementation of Altair's payroll system in the Autumn to take on new pensioners in a phased approach.</p>