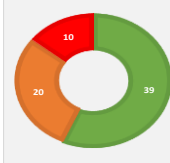


# Committee Risk Register

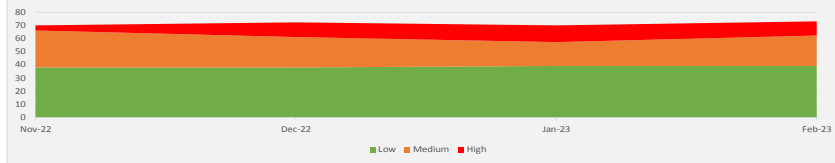
Owner: Richard Bullen

Medium Overall Risk

Risk Assessment



Risk Health



Risk Area	Key Risks	Risk Assessment	Updates to note
Service Delivery	<p>Level of post and work volumes remain high in spite of increased productivity, and a concern remains over the 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>Failure to process TV-outs due to a process review. This could hamper productive output.</p> <p>Associated risks following the processing of the pension increase exercise continue, due to an increase in discrepancies between databases arising from the increase and adjustments to short term pensions.</p> <p>A risk that frauds could occur if suitable internal controls are not implemented</p>	High	<p>As part of the business plan 2022/2023, the backlog was outsourced to Hymans.</p> <p>A 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member services (with employer services to follow), which is forward-looking and enables tasks which are about to go out of date to be prioritised.</p> <p>In March the Key activates of i-Connect and controls, the aggregations backlog and resourcing were identified as factors to overcome in order that the business plan 23/24 could improve on productivity. A Service Improvement team has been formed to facilitate data preparation and in turn productivity.</p> <p>Weekly KPIs are now circulated and analysed, and weekly insights have been launched for the member services team (the employer services team have their own KPIs formulated), which show staff productivity.</p> <p>Embedding the use of bulk processing is now better supporting Fund processes.</p> <p>Work on reviewing short-term widows pensions has been implemented and is nearing completion.</p> <p>Arrangements will be reviewed following an independent investigation into fraudulent activity</p>
Financial Management	<p>The employer contribution rate schedule is not accurately maintained and the Fund is unable to determine if it is receiving the correct contributions, or identifying ceasing employers at an early stage.</p> <p>The Fund pays incorrect pensions, lump sums and other one off payments to pensioner members.</p> <p>Ceasing employers challenge actuarial reports due to the size of deficit payments they are required to make.</p> <p>Delays in Treasury Management processing could be caused by changes to approval limits</p>	Medium	<p>Officers have set up an Employer Contribution and Data Management Working Group to mitigate the risk of the schedule not being maintained.</p> <p>Internal audit has highlighted further improvements over the internal controls in relations to financial management. An update will be presented to members at each meeting cycle.</p> <p>Officers are working to ensure the new contributions rates are being implemented &amp; paid by all employers.</p> <p>Strategic employer cessations are being managed by officers, who take legal and actuarial advice to ensure employer understand their cessation obligations.</p> <p>Officers are working with Wiltshire Council Finance to ensure that the appropriate approval limits and framework are in place.</p>
Fund Governance	<p>Members and senior officers do not maintain their knowledge and understanding leading to poor decision making and poor governance.</p> <p>Although implemented, embedding the risk and control framework into departmental culture is an ongoing process</p>	Low	<p>Approval of a Committee member training strategy for 23/24 is under review. Details of the new strategy are yet to be published in order to mitigate issues in relation to insufficient knowledge and understanding.</p> <p>Officer training on the risk and control framework has been completed and regular meetings are held to reinforce the concept.</p>
Systems Management	<p>Poor KPI reporting providing incorrect data which could lead to poor decisions being made.</p> <p>Old user accounts, including i-Connect logins 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> <p>Changes to the transfer value guidance has caused a suspension to the calculation routines</p>	Medium	<p>Insights, a new software tool provided by the Fund's database manager has enabled more accurate and timely reporting.</p> <p>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. Although the new appointment should have started from 1st April there have been delays in completing the contract. The former supplier is continuing to provide a service until negotiations have been completed.</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 mitigate the cessation of SAP will help, however the Fund remains reliant on the Council's Evolve programme to move forward.</p> <p>Expected April 2024.</p> <p>On completion of a TV process review, all TV calculations will be able to recommence.</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 are made on a timely basis and delivering their objectives.</p> <p>BPP has been set up to deliver cost savings, if mismanaged this could lead to higher costs and poor investment returns.</p>	Medium	<p>The Fund is working with Brunel on pooling arrangements. The Fund is currently benefiting from net fee savings, but costs are under constant pressure to rise with high budget increases being proposed.</p> <p>Key person departures are also an ongoing concern in relation to resourcing.</p> <p>BPP's governance continues to be monitored due to concerns over levels of pay, budgets and staff losses. Officers are working with BPP and other authorities in the partnership to update BPP's constitution.</p> <p>Agreement has been reached over pay and budgets and BPP are seeking to recruit strategic staff.</p>
Compliance with Regulations	<p>Anticipated changes in legislation could impact the Fund adversely, specifically regarding compliance and resourcing.</p> <p>Failure to achieve statutory requirements &amp; deadlines due to work volumes</p>	Low	<p>Regular updates to the Committee and Board enable all stakeholders to monitor any potential changes in legislations. This work is supported by adviser guidance.</p> <p>Project planning and holding of regular management meetings to ensure deadlines are achieved.</p>
Performance	<p>Employers not performing their roles effectively, such as not sending timely and accurate information in the required format.</p> <p>Employers not updating us on a timely basis concerning changes to 3rd party providers affecting the Fund.</p> <p>Employers not following i-Connect processing correctly leading to data breaches</p>	Low	<p>Extra training is given to employers as part of the Fund's Employer training strategy. A new employer training strategy for 2023 has been prepared and employer scorecards to be issued to all employers notifying them of their performance against the Pensions Admin Strategy.</p> <p>The Pension Admin Strategy to be updated to make it clearer to employers concerning the performance targets expected of them.</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. This can effect the starting position for funding, unitisation adjustments, pooling or cessation arrangements due to untimely or incorrect information.</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> <p>The Fund needs to consider a covenant strategy review following completion of the valuation.</p>	Medium	<p>As mentioned under Performance the Fund offers training to employers to mitigate the risks highlighted.</p> <p>Implementation of the Stabilisation Policy provides a certain amount of increased security for employers. The Fund also works closely with our Actuarial advisers to ensure new sets up are managed correctly. In addition, officers need to maintain the Fund's unitisation database.</p> <p>A risk exists of employers failing and not funding their liabilities could occur, where their financial position weakens. Fund officers liaising with the Scheme Actuary concerning a covenant review strategy.</p> <p>The completion of Admission Agreements will assist areas such as i-connect and contribution reconciliation. Monthly meetings being held with Legal Services and external packages for this work being considered.</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>TUPE transfer are being delayed due to a backlog in Legal Services.</p> <p>Employer asset and liability allocations should be monitored to avoid throwing out an employer's funding position.</p> <p>Poor data provision from large individual employers can heavily impact the Fund's data management</p>	High	<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. This process continues even though actual onboarding has been temporarily suspended. Relevant checks associated with i-Connect submissions are being reviewed.</p> <p>Whilst the TUPE &amp; cessation reporting issue has been resolved as part of a new Heywood's release, officers now need to work with Legal Services to progress delays in this area.</p> <p>Assignment of the responsibility to a specific officer as well as accurate transaction coding and Altair reporting will be implemented on the imminent appointment of a key staff member.</p> <p>Key project management exercises undertaken to oversee large individual employers impacting the Fund data quality and management</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>	Low	<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> <p>A review of the Fund's Customer Service Excellence strategy is being considered following its initial assessment.</p>
Funding	<p>Pension payment adjustments caused by the Rectification project may impact the Fund.</p>	Low	<p>The Accounting team is working with the project manager to ensure Funding is not adversely impacted</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. In addition, key departures could lead 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>A recent restructure, has filled key vacancies, with the exception of one role.</p> <p>New employer services staff members receiving focussed training relating to their roles to mitigate processing errors and encourage -Connect data checks</p>

Climate risk	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.	Medium	The Fund has a climate change policy (within the responsible investment policy), decarbonisation targets, and has assessed alignment of all portfolios. The Fund already reports against the requirements of the Task Force on Climate-related Financial Disclosures (TCFD).
Projects	Projects are managed by a designated Project Manager. Key projects currently being managed are the Backlog 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. A fourth project relating to internal backlogs is also considered a risk area. At present, the outsourced backlog and rectification projects are progressing, however the McCloud has faulted. A delay in the Evolve programme is also contributing to risk in this area. Payroll staff have been recruited to implement Altair's payroll system over the next few months.	Medium	As part of the oversight of Evolve Payroll Programme periodic strategic updates are received from the s151 Officer to assess level of risk; 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. To mitigate delays on McCloud the Project Manager is working with internal and external stakeholders to set milestones and reporting frameworks. 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.
Other External Risks	No "other" risks currently identified.	Low	