

AGENDA SUPPLEMENT (1)

Meeting: Wiltshire Pension Fund Committee

Place: Kennet Room - County Hall, Bythesea Road, Trowbridge, BA14 8JN

Date: Tuesday 10 January 2023

Time: 10.00 am

The Agenda for the above meeting was published on 12 December 2022. Additional documents are now available and are attached to this Agenda Supplement.

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Press enquiries to Communications on direct lines (01225)713114/713115.

This Agenda and all the documents referred to within it are available on the Council's website at www.wiltshire.gov.uk

7 **Headlines and Monitoring Report** (Pages 3 - 6)

Appendix 3 – Risk Register

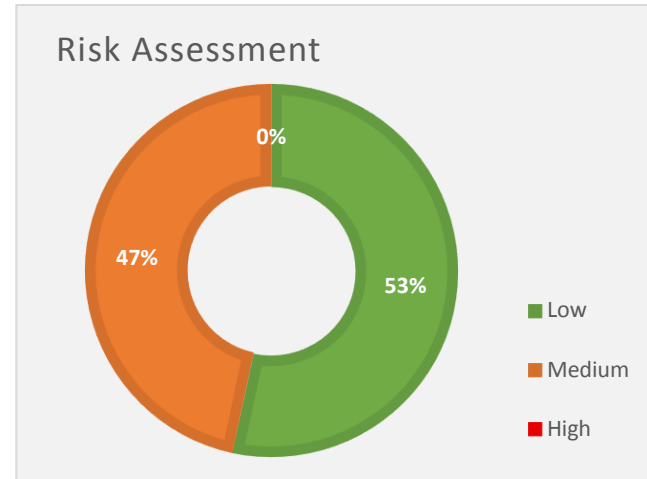
DATE OF PUBLICATION: 12 December 2022

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Committee Risk

Owner: Richard Bullen

Low Overall Risk



Risk Count	Risk Area	Key Risks	Risk Assessment	Updates to note
12	Administration	<p>Work volumes being higher in terms of work coming in than completed, and failure to meet the KPI targets.</p> <p>Work 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>	Medium	<p>As part of the 2022/2023 budget approval, the backlog has been outsourced to Hymans.</p> <p>A new work allocation system has been launched 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member services (with employer services to follow), which is forward-looking and enables tasks which are about to go out of date to be prioritised.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>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>
8	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.</p> <p>The Fund pays incorrect pensions, lump sums and other one off payments to pensioner members.</p> <p>The Fund does not have sufficient cash available to pay pensions, private market capital calls or other liabilities as they fall due. This could lead to penalties, lost investment return and reputational damage</p>	Low	<p>Officers have set up an Employer Contribution and Data Management Working Group to mitigate the risk of the schedule not being maintained. Internal audit currently completing an audit, due to be presented to members in the next meeting cycle. Cashflow modelling takes place to ensure sufficient funds are available.</p>

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7	Fund Governance	Members and senior officers do not maintain their knowledge and understanding leading to poor decision making and poor governance. Poorly operating control and risk framework could lead to negative outcomes for the Fund, such as incorrect financial transitions and/or records, incorrect member records, or fraud and misappropriation.	Low	Focus on the tPR's anticipated new Single Code of Practice Statement most affected by regulations, starting with internal controls and effective governance; Brunel's governance review is ongoing. WPF has actively engaged with Brunel to make Wiltshire's expectations clear; Officers have responded to the Fair Deal Consultation and continue to monitor developments to help ensure it is prepared to make any changes
6	Systems Management	Poor KPI reporting providing incorrect data which could lead to poor decisions being made. 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. Ineffective controls of mortality screening could result in the paying of benefits that should have ceased.	Low	Insights, a new software tool provided by the Fund's database manager has enabled more accurate and timely reporting. A re-tender exercise is being considered in respect of the Fund's current mortality screening and training provider
5	Investment	Investment performance by managers is poor or misaligned with expectations leading to risk of funding level, achievement of investment strategy and poor benchmarking. BPP need to operate effectively to ensure funds are well managed, investments made timely and delivering their objectives. BPP has been set up to deliver cost savings, if mismanaged this could lead to higher costs and poor investment returns.	Medium	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 raises concerns about resourcing.
5	Compliance with Regulations	Anticipated changes in legislation could impact the Fund adversely, specifically regarding compliance and resourcing. Poor internal controls leading to data protection requirements not being fulfilled, particularly in relation to breach recording & where required, escalating the reporting of breaches.	Low	Regular updates to the Committee and Board enable all stakeholders to monitor any potential changes in legislations. This work is supported by adviser guidance. Fund processes and precedures are in place concerning data protection, including the dovetailing of those procedures with the Council's Information Governance arrangements
5	Performance	Employers not performing their roles ineffectively, such as not sending timely and accurate information in the required format.	Low	Training is given to extra employers as part of the Fund's Employer training strategy

5	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.</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.</p>
5	Data Management	<p>Information is posted through i-Connect or employer spreadsheets late which can delay processing. There's risk that cessations are not advised resulting in delays to the start of this process.</p>	Low	<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.</p>
4	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 & the website is being implemented</p>
3	Funding	<p>The cost of living crisis could impact the Fund from numerous perspectives (funding, investments, comms, admin, cash flow, resourcing etc). There is a risk that this is not properly considered and acted on, the Fund could experience adverse outcomes.</p>	Low	<p>Cost of living paper submitted to the Committee for their consideration.</p>
2	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>	Medium	<p>Key people in the team are seeking to transfer specialist knowledge to colleagues by documenting procedures and notes. In the event of a knowledge gap, however, 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.</p>
2	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>

1	Projects	Projects managed by 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	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 increased contribution rates for employers and higher levels of administration resource.
0	Other External Risks	No "other" risks currently identified.	Low	