

**WILTSHIRE COUNCIL**

WILTSHIRE LOCAL PENSION BOARD  
01 February 2023

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**WILTSHIRE PENSION FUND RISK REGISTER**

**Purpose of the Report**

- 1. The purpose of this report is to update the Board in relation to the Fund’s risks on its Risk Register (Appendix 1). Risk is now operationally embedded; however, the risk register also retains a strategic capability to mitigate non-operational risks to the Fund.

**Background**

- 2. The new Risk Register came into operation on 1 November 2022 and will be maintained by officers. As part of the transition from the former risk register, officers have migrated any heightened risks from that register to new risk register to ensure the continuity of ratings were maintained. A schedule detailing the heightened risks at the time of transition was included within the Committee’s meeting pack, at their meeting on 10 January.
- 3. Central to the mapping of risks from the former to the new risk register was the switch in emphasis from “Inherit” to “Residual” risk rating on the risk register. This change in emphasis sought to communicate the risk after any mitigations had been applied on the basis that risk management was operationally embedded. Inherit risks assessed as green on the old register were classed as already being managed and either incorporated into the new risk register framework or withdrawn where their specific nature was no longer considered relevant. This was particularly noteworthy in relation to dormant or closed risks under the old risk register.
- 4. Under the new risk register a “Yes” or “No” operationally embedded approach to risk scoring has been implemented. In effect, a “Yes” or “No” monthly, quarterly, or annual review is completed by officers in relation to each activity undertaken, indicating whether it has been completed. These activities carry a risk weighting relative to their wider relationship to all other risks identified by the Fund’s management and a warning flag is recorded where an activity has not been fulfilled. The Compliance, Risk & Operational Controls (CROC) Group then review the ratings recorded each month, along with any manager comments qualifying that rating and determine whether the overall risk rating has been correctly assessed.
- 5. The table below illustrates the anticipated benefits of the new register.

<b>New Risk Register Benefits</b>
Risks are less specific in scope, making the register more manageable in size
Operationally embedded, thus ensuring operational activities are being monitored and acted upon on a timely basis
Reviewed monthly, rather than quarterly
Greater focus on risk comments and mitigations, rather than risk ratings

Senior officers believe that by transitioning to the new risk register additional improvements will be seen. In particular, a greater awareness amongst the Fund’s managers of their contribution, impact and the risks associated with their roles, better

collaboration across the team and a greater focus on output & outcomes, particularly in relations to KPI targets.

6. Switching from a quarterly to a monthly review of the risks experienced by the Fund has meant that the results of each risk register review presented to the Board may in turn differ from those presented to the Committee, where reviews have occurred between each group’s meeting. However, the CROC Group’s process for moderating the ratings will remain consistent and thereby the risk reviews submitted to the Local Pension Board and Committee at each meeting will remain consistent.
7. To accompany the CROC Group’s assessment, a note will be included in the final column of the risk register (Appendix 1) to highlight any key factors involved in that risk’s assessment.

**Key Considerations for the Board / Risk Assessment**

8. To enable Board members to consider the risk register and where required, make any recommendations to the Committee, it is proposed that a summary of any changes between Board meetings will be included within this quarterly report.
9. Whilst it is recognised that the method by which the Board may make recommendations is yet to be established, it is anticipated that such recommendations will fall into two basic categories. These are:
  - a) Recommendations in relation to any patterns or themes which have occurred since the last Board meeting, as determined by the summary of any changes: &
  - b) Recommendations in relation to the assessment of risks by the CROC Group presented within the attached risk register.

In determining whether recommendations should be made to the Committee, members are asked to focus their attention on the mitigations in the “Updates to note” column rather than the ratings in the “Risk Assessment” column.

**Summary of changes since the last Committee meeting**

10. Since the Committee’s meeting of 10 January, the November risk register has been reviewed and updated with December changes. The summary of these changes is:

Risk Section	Section rating change	Notes and mitigations
Administration	Increase	a) Work volumes being higher in terms of work coming in than completed, and failure to meet the KPI targets. The situation worsened over the holiday period. Officers are reviewing work allocations with a view to recovering the lost output. b) The need to complete 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. The year-end process concerning such retirees needs to be updated. c) Not making the best use of bulk upload processing to improve efficiencies. Embedding the use of bulk processing is required to support KPI improvements.

Data Management	Increase	<p>a) A TUPE issue within Altair where a Heywood's software change has impacted the valuation reporting function. Currently being investigated by Heywood's.</p> <p>b) Employer asset and liability allocations should be monitored to avoid distorting an employer's funding position. Assignment of the responsibility to a specific officer as well as accurate transaction coding and Altair reporting is recommended for implementation</p> <p>c) Officers have experienced reporting issues within Altair affecting employer cessations. Currently being investigated by Heywood's.</p>
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### **Financial Implications**

11. No direct implications.

### **Legal Implications**

12. There are no known implications from the proposals.

### **Environmental Impacts of the Proposals**

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

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

14. There are no known implications currently.

### **Proposal**

15. The Board is asked to note the attached Risk Register and recommend to the Committee that the risk assessments being made by the CROC Group are appropriate.

JENNIFER DEVINE  
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