

## Appendix 5

### WILTSHIRE PENSION FUND RISK REGISTER

#### Local Pension Board risk recommendations – 27 October 2022 meeting

1. The evidence-based review of the register identified the following risks had changed or need to be recategorized.
  - **PEN011: Lack of expertise of Pension Fund Officers and Service Director, Finance** (Amber to Green) The Board determined at their meeting on 27 October that officer expertise had improved. *(New Risk Register Ref: Resourcing ST107)*
  - **PEN018: Failure to set in place appropriate Cyber Security measures:** (Red to Amber) Following the presentation by Aon Consulting at the Committee meeting in October, several recommendations concerning Wiltshire Council's cyber security arrangements were made. It was noted that the Council had a reasonable level of cyber & hygiene maturity and consequently it is recommended that this risk rating is reduced. It was felt that Committee members were reassured, noting that a further response would be received from Wiltshire Council ICT Department at their meeting in December. *(New Risk Register Ref: Systems Management SY109)*
  - **PEN037: Failure to implement a strategy to address the administration backlogs:** (From Red to Amber) Good progress has been made against the findings of the SWAP audit report published in March 2022. Implementation of the administration backlog strategy in line with the Fund's business plan has taken place with the appointment of 3<sup>rd</sup> party service provider. Monitoring the clearing of the backlog over the next 12 months can now take place, accompanied by the introduction of an improvement plan by officers. *(New Risk Register Ref: Projects PJ104)*
  - **PEN054: Failure of Brunel to maintain an effective operating model for Private Market Investment Portfolio's:** (From Green to Amber) A recent departure from the Private Equity team has left Brunel without cover, for a second time in Private Markets. Officers will monitor BPP in relation to any appointments, as well as how they manage this team. *(New Risk Register Ref: Investment IV102)*
2. Risks remaining "red", high risk:
  - **PEN022: Rectification of records with GMP and non GMP issues – Time-consuming, costly & may causes reputational damage:** (Red) Potentially incorrect liabilities being paid by the Fund because 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. It is anticipated that the recent outsourcing of this work may reduce this risk moving forward. *(New Risk Register Ref: Projects PJ103)*
  - **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. *(New Risk Register Ref: Compliance with Legislation PJ101)*
  - **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 was conducted in 2021 and has been presented to the Board & Committee for consideration. A further audit has been commissioned for 2022. *(New Risk Register Ref: Investment IV102)*
3. It is recommended that the following risk is moved from the risk register.
  - **PEN044: Change to valuation cycle:** (Green) This is based on the evidence that no activity has occurred on this subject since DLUHC's consultation document in May 2019. *(New Risk Register Ref: Strategic ST105)*