

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE
23 November 2017

WILTSHIRE PENSION FUND RISK REGISTER

Purpose of the Report

1. The purpose of this report is to update the Committee in relation to changes to the Fund's Risk Register (see Appendix).

Background

2. The Committee approved a Risk Register for the Wiltshire Pension Fund at its meeting on 12 May 2009. Members requested that the highlights, particularly upward/downward movements in individual risks, be reported back to the Committee on a quarterly basis.

Key Considerations for the Committee / Risk Assessment

3. The significance of risks is measured by interaction of the likelihood of occurrence (likelihood) and the potential impact of such an occurrence (impact). This register uses the Council's standard "4x4" approach, which produces a risk status of Red, Amber or Green (RAG).
4. There are four risks decreasing since the last report in September 2017.
5. **PEN026: Impact of MiFiD II Regulations:** This has been lowered from amber to green as the Fund has now submitted its applications to all its investment managers to elect to professional status. Early feedback has been very positive with 3 out of the 9 managers already confirming this status for the Fund. There has been no negative feedback to date and managers yet to confirm appear confident they will be in a position to do this based on the data submitted prior to January 2018.
6. **PEN020: Failure to collect and account for Contributions from Employers on time:** This has been lowered from amber to green as the new contributions framework has now been implemented (October 2017) which was an audit recommendation when they assessed the Fund against the Pension Regulators Code of Practice. The new framework provides a robust approach to tracking, following up, and reporting unpaid contributions to the Committee and Local Pension Board. The performance of employers will be reported to future meetings of this Committee.
7. **PEN010: Failure to keep pension records up-to-date and accurate:** This has been lowered from amber to green as the result of a report from our pension database provider Heywood's who have analysed the Fund's data in line with the requirements under the Records Keeping Act. The Fund's Common Data is 99.2% accurate and its conditional data is 94% accurate both are significantly higher than the Pension Regulator minimum threshold. This information represents the results of the continual data cleansing that has been on-going, and a priority plan is also provided to focus on the outstanding areas. A full report will be brought to the future Pension Committee meeting.
8. **PEN011: Lack of Expertise of Pension Fund Officers and Service Director:** This has been lowered from red to amber as the result of the appointment of an interim Head of Pension to provide cover between the appointment of a replacement on a permanent

basis. The Interim has 12 years' experience of operating as Head of Pensions for a large LGPS fund, and will provide the expertise and experience to ensure the smooth transition over the next 3-month period.

9. There remains three "red" high risks. ***PEN023: Resources of Officers and Members to Meet the Expansion of Business Items, PEN012: Over-reliance on key officers and PEN020: Pooling of LGPS assets.*** The revised pension team structure has now been finalised and is currently being implemented. This review considers realignment of cover to take account of changes to roles arising from the Brunel Pension Partnership, along with additional capacity to support the governance, benefits and data work undertaken by the Fund. The recruitment for the Head of Pensions replacement is continuing with interviews being held on 21/22 November. Recruitment for all the other posts in the structures has also started. Until all posts are filled, Hymans Robertson will continue with their technical support as required.
10. Work continues to mitigate where possible the risks above along with the other remaining medium risks highlighted on the risk register.

Financial Implications

11. There is a potential increase in staff costs as a result of any staffing review that will be funded from the Wiltshire Pension Fund administration budget.

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 at this time.

Proposals

15. The Committee is asked to note the attached Risk Register and measures being taken to mitigate risks.

MICHAEL HUDSON
Treasurer to the Pension Fund

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Unpublished documents relied upon in the production of this report: NONE