

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
12 July 2018

WILTSHIRE PENSION FUND RISK REGISTER

Purpose of the Report

1. The purpose of this report is to update the Board 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. One risk has decreased since the last report in March 2018: **PEN012: Over-reliance on key officers:** (From Red to Amber) A number of key officer roles have now been filled and the new structure means there is greater resource in key management areas. However to further mitigate this risk, the Director of Finance & Investment Manager roles need to be filled on a permanent basis.
5. One risk has increased since the last report: PEN010: **Failure to keep records up to date and accurate** (From Green to Amber): Following the methodology changes made by the Pension Regulator in respect of the Common & Conditional Data measurements, the accompanying rhetoric by tPR and the current on-going SAB consultation on Conditional/Scheme Data, the level of Wiltshire Pension Fund data quality poses a greater risk than assessed previously even though there has been no material deterioration in quality. Officers are aware of these shortcomings but staff shortages have limited its ability to address these difficulties to date although as vacancies continue to be filled, officers should be better resourced to tackle these difficulties.
6. There remains one "red", high risk: **PEN020: Pooling of LGPS assets:** Significant amount of resource still required by officers to progress this project. However, the 17/18 financial year-end is going well, despite a new Custodian and limited staff experience.
7. One new risk has been added: **PEN027: Significant structural change to LGPS Funds or to our Fund:** This new risk has been added partly in response to the scope of reviews being undertaken by the Scheme Advisory (E.g. Tier 3 employer and Academies) but also in response to the on-going environment of shared-service and LGPS Fund mergers which are taking place in parts of the UK. This new risk has initially been assessed as "amber".
8. Work continues to mitigate where possible the risks above along with the other remaining medium risks highlighted on the risk register.

Financial Implications

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

Legal Implications

10. There are no known implications from the proposals.

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

12. There are no known implications at this time.

Proposals

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

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