

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE
16 July 2020

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. A reconfiguration of the Risk Register took place during 2019 to make it a more dynamic document and the new design was approved by the Committee on 18th July 2019. Members requested that whilst a full Risk Register is maintained by officers only the following risks need to be highlighted to Committee on a quarterly basis.
 - New risks;
 - Risks which have changed or been re-categorised;
 - Risks which are rated red; and
 - Risks which are considered to have been mitigated & stabilised & can be recommended for approval to the register's ceased/dormant category for continued monitoring by officers only.
3. Under the reconfigured Risk Register strategy, the identification of risks will be more evidence based using the Scheme update, Business Plan, Audit recommendations, Minutes of meetings, Fund's KPI dashboard and Brunel and investment pooling data as sources of information for risk identification.
4. One risk identified in this report has altered on the risk register since it was reviewed by the Board at their meeting on 21st May (PEN011) See point 10.

Key Considerations for the Committee / Risk Assessment

5. The significance of risks is measured by the 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).
6. During the last quarter the following "new risks" were identified.
 - **PEN053: Failure to implement Fund's Data Retention Strategy:** (Green) A poorly implemented data retention strategy may could potentially breach GDPR compliance & create service issues in the event of data being inadvertently minimised or deleted.
 - **PEN054: Failure to implement an interim investment portfolio, investment in private markets & multi asset credit arrangements as required:** (Amber) The implementation does not match risk/return requirements before capital can be deployed & a strategic asset allocation cash drag may occur on the investments.

7. The evidence-based review of the register identified no changes or recategorizations were needed during the last quarter. Only text updates were made to risks by officers consistent with the integration of the 2020/21 business plan objectives.
8. Risks remaining “red”, high risk:
 - **PEN042: Significant retrospective legislation changes related to the McCloud case:** It is still unclear exactly what impact there will be on the administration, although the impact actuarially speaking is likely to be minimal. Members requested that it be kept as a red risk until the administrative impact is clearer.
 - **PEN048: The transition of the pooling of LGPS assets with BPP fails to deliver the projected savings:** Progress and updates should continue to be regularly reported to Committee. A Board recommendation to introduce a monitoring & reporting timetable of BPP was approved by the Committee.
 - **PEN052: COVID-19:** An infectious global virus which WHO has classed as a pandemic. Its multiple impacts on the Fund continue to be continuously monitored and managed, until the risk(s) subside.
9. It is recommended that three risks are removed from quarterly presentation to the Committee. These are;
 - **PEN032: Failure to manage Fund budgets & controllable costs:** (Green) Poor budget setting & cost control can lead to over expenditure and a loss of value in the services of the Fund. Quarterly reporting to Committee has since been put in place to provide greater oversight. It is recommended that this risk be moved from Dynamic to dormant.
 - **PEN014: Failure to provide the service in accordance with sound equality principles:** (Green) The risk register shows that the Fund has completed an Equality Risk Assessment and has an Equality Implementation Plan in place. It is recommended that it be moved from Ongoing to dormant.
10. Alteration to PEN011 – At the Board meeting on 21st May it was recommended that this risk be moved to a dormant status on the register, however since May there has been a staff restructure within the Fund’s Investment team following which it has been recommended to keep the risk on an (Amber) rating. **PEN011 – Lack of expertise of Pension Fund Officers and Service Director, Finance.** Note: The original decision to reduce the risk followed the appointment of a permanent s151 Officer & the recognition that other officer appointments were now established in their posts & a new officer training plan had been implemented.

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.

Proposals

15. The Committee is asked to approve the attached Risk Register and the changes/actions recommended by officers in points 6 to 10.

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