

Wiltshire Council

Wiltshire Pension Fund Committee

05 April 2022

Recommendations of the Local Pension Board 17 February 2022

Item	Recommendation	Agenda item
<u>Training Update</u> Minute 82	a) To recommended that the Fund's breach policy was reviewed every three years & b) To request that reminders be sent to Members who had not completed their mandatory training	Item 09
<u>LPB Budget 2022/23</u> Minute 84	To recommend that the Local Pension Board's budget be submitted to the Pension Fund Committee that this is included in the Fund's administration budget for 2022-23	Item 10
<u>Key Financial Controls</u> Minute 85	That the Terms of Reference for the Cyber Security Review be finalised & include a technical examination from an independent IT consultant concerning the information provided by the Fund's two key software providers.	Item 05
<u>Investment Governance</u> Minute 88	To review and endorse the process for approval of 2020 Stewardship Code reporting, and the Treasury Management Strategy	Item 12
<u>Risk Register Update</u> Minute 90	<p>To note the updated Risk Register and recommend the changes/actions proposed at paragraphs 5-9 of the report to the Committee.</p> <p>5. During the last quarter no "new risks" were identified.</p> <p>6. The evidence-based review of the register identified the following risks had changed or need to be recategorized;</p> <ul style="list-style-type: none">• PEN043: Administration disruption and employer cost pressures cause by the Cost Cap review: (From Amber to Green) GAD have indicated that the LGPS is in a strong financial position based on March 2019 information. GAD have made recommendations concerning the consistency of monitoring the cost pressures which will be reviewed by SAB. These include widening the cost corridor from 2% to 3% and a wider economic check on the outlook of the economy. Move from Horizon to Ongoing.• PEN052: COVID-19: (From Amber to Green) COVID-19 is an infectious global virus which WHO has classed as a pandemic in 2020. Since March 2020 significant strides have been made to the management of this pandemic with Govt. rules now starting to be relaxed and the majority of the population vaccinated. As a result, risks to the ongoing operation of the Fund caused by the pandemic are now considered to be reduced.	Item 09

Officers will continue to monitor the situation however there appears to be no immediate risk to the ongoing service the Fund provides.

- **PEN057: Failure to implement the Accessibility Regulations:** (From Amber to Green) An independent audit of the Fund's website took place in 2021 against the Accessibility Regulations and a positive outcome was received. Whilst the auditor Shaw Trust raised a small number of technical points, it is considered that the implementation of the regulations has been completed. Move from Dynamic to Closed.

7. Risks remaining “red”, high risk:

- **PEN018: Failure to set in place appropriate Cyber Security measures:** (From Amber to Red) In accordance with Committee Minute 90, dated 16 December 2021, the Fund's cyber security risk rating was increased to red until the Fund receives sufficient assurance from the Council's IT Dept. that this risk is being fully managed. Whilst measures are believed to be in place, active assurance is still required. An external consultant is to be appointed in order to provide members with an independent professional opinion on how this risk should be managed.
- **PEN022: Rectification of records with GMP issues – Time-consuming, costly & may causes reputational damage:** (From Red) Potentially incorrect liabilities being paid by the Fund as a result 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.
- **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.
- **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 has been conducted in 2021 and has been presented to the Board & Committee for consideration. A further audit has been commissioned for 2022.

	<p>8. Only one risk, PEN057 on the risk register is recommended for removal from quarterly presentation to the Board. PEN057 is highlighted in paragraph 6 above.</p> <p>9. In addition, work should be undertaken regarding PEN30 & PEN60, concerning the corporate recharge for implementation in the 2023-24 financial year. Regular updates on progress should be received in the Key Financial Controls reports.</p>	
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