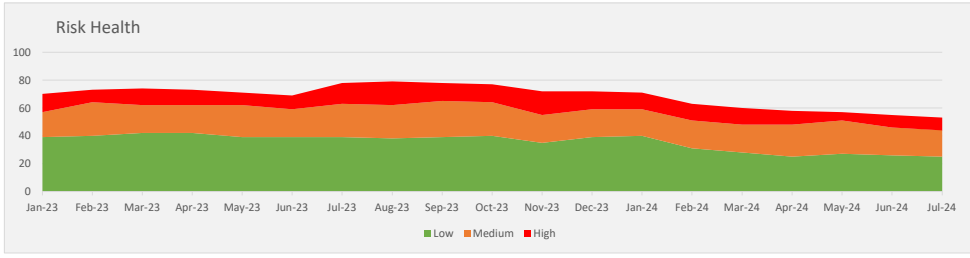


Committee Risk Register

Owner: Richard Bullen

Medium Overall Risk



Risk Area	Key Risks	Risk Assessment	Updates to note
Service Delivery	<p>A failure exists where levels of post and work volumes remain high creating a concern over the failure to meet the KPI targets. This includes backlogs which staff are seeking to reduce via the KPI Improvement Plan.</p> <p>A failure exists where the late payment of benefit and correct of benefits to members occurs, which in turn impacts the Fund's KPI targets.</p> <p>Inappropriate impact on service delivery due to network or system downtime, including proper management of system releases: &</p> <p>Failure to meet customer service levels in line with external accredited standards</p>	High	<p>Regular KPI meetings are held by management to ensure work is processed in accordance with the KPI Improvement Plan. Success against the KPI Improvement plan is reaping rewards and work volumes are becoming more manageable. In addition, benefits continue to be correctly paid including the recovery of payments due to the migration to Oracle.</p> <p>Weekly KPIs are now circulated and analysed and weekly insights reports have been published to the teams which show staff productivity.</p> <p>Embedding the use of bulk processing is better supporting Fund processes and output.</p> <p>Officers are working with key system providers and receiving quarterly report in order to monitor system downtime and the proper release of updated software. CSE & PASA accreditations are being project managed and will be introduced following signs that the KPI Improvement Plan has had a positive impact on delivery.</p>
Financial Management	<p>Failure to maintain an accurate employer contribution rate schedule, the Fund being unable to determine if it is receiving the correct contributions, or identify ceasing employers at an early stage is a key risk</p> <p>Failure to pay correct pensions, lump sums and other one off payments to pensioners.</p> <p>Failure to process Treasury Management actions on a timely basis, impacting budgeting and forecasting too.</p> <p>Failure to ensure that the running costs of the Fund continue to be aligned with the approved budget</p> <p>Failure to receive guidance relating to covenant reviews and processes could cause a financial risk to the Fund.</p>	Medium	<p>Officers maintain an Employer Contribution and Data Management Working Group to mitigate the risk of the contribution not being paid. An update is presented to members periodically.</p> <p>Officers ensure that the contributions rates are implemented & paid by all employers, and that this requirement is maintained.</p> <p>A covenant strategy is being implemented following approval of the Covenant policy.</p> <p>Officers have limited access to Oracle information to manage ledger coding & the recording of financial movements in the accounts. This has improved the Fund's ability to monitor payments and it running costs against its budget, as well as make financial returns. Procedural notes are being drafted.</p> <p>Officers are also seeking to establish active payroll reporting are part of their processes</p>
Fund Governance	<p>Failure to maintain the implemented risk and control framework and embed it into departmental culture</p> <p>Failure to conclude audits with external auditors, a number of which are several years old.</p> <p>A failure to update strategic and constitutional documentation of the Fund in order to be consistent with the new General Code of Practice</p>	Medium	<p>Officer training on the risk and control framework has been completed and regular meetings are held to reinforce the concept. Discussions relating to the integration with the Council's new Corporate Risk Management framework have gone well and officers have started to consider their strategy to implement the changes.</p> <p>Officers are working with the external auditors Deloitte and Grant Thornton to conclude historic audits.</p> <p>Officers are liaising with the Board and Committee concerning the sequencing of essential changes required in order to ensure strategic and constitutional documents are updated.</p>
Systems Management	<p>Failure to maintain the Fund's cyber security in accordance with this strategic requirement and the Fund's Business Continuity Plan.</p>	Medium	<p>Fund officers continue to liaise with the Council's Security Management and review its security arrangements including cyber insurance. Confirmation that the appropriate accreditations are in place are central to securing insurance. Quarterly cyber security checking to be put in place.</p>
Investment	<p>Failure of BPP to operate effectively and ensure funds are well managed, with investments being made on a timely basis to deliver their objectives.</p> <p>Failure to maintain sufficient and appropriately skilled resource to undertake RI and stewardship strategy tasks.</p> <p>Failure to effectively report the true Funding level to the Committee</p>	Medium	<p>The Fund is working with Brunel on pooling arrangements.</p> <p>A Central Govt. response on the future of pooling has been submitted by Fund officers concerning the strategic direction of BPP</p> <p>A new arrangement with BPP is enabling face to face visits concerning portfolio discussions</p> <p>Officers are working with the Evolve team to enable relevant Oracle reporting which can establish the Funding position of the Fund.</p>
Compliance with Regulations	<p>Failure to anticipate changes in legislation which could impact the Fund adversely, specifically regarding compliance and resourcing.</p> <p>Failure to achieve statutory requirements & deadlines due to work volumes</p> <p>Failure to manage the Fund's data protection obligations due to breaches caused by a lack of understanding</p> <p>Failure to meet FCA MiFID II obligations by members having insufficient K&U to maintain the Fund's "Professional Client" status</p>	Medium	<p>Regular updates to the Committee and Board enable all stakeholders to monitor any potential changes in legislation. This work is supported by adviser guidance. Project planning and the holding of regular management meetings ensures deadlines are achieved.</p> <p>Communications concerning the Govt's Pensions Review, including potential significant changes to the LGPS has caused concern. Fund officers are issuing communications of their own and liaising with Professional Advisers.</p> <p>Fund Officers will undergo data protection act refresher training and members will receive refresher guidance on MiFID as part of the Fund's annual exercise</p>
Performance	<p>Failure to deliver good customer service by maintaining performance in line with the KPI Improvement Plan. This includes poor operational performance, communication and implementation of new software and working practices</p>	Medium	<p>Weekly and Monthly meetings are held to ensure performance is maintained in line with the KPI Improvement Plan. Objectives are set to keep the plan on track. Note: Resource levels may limit progress.</p>
Employer Management	<p>Failure to maintain a list of current employer contacts requires ongoing improvement.</p> <p>Failure to effectively manage employer performance.</p> <p>Failure of employers not being set up, maintained or leaving the Fund correctly. This can effect the starting position for funding, employer liability adjustments, pooling or cessation arrangements due to untimely or incorrect information.</p>	Medium	<p>Exercises continue to be undertaken to update employer contacts, attend communication forums, review historic employer relationship issues and admission agreements and in particular issuance of employer scorecards.</p> <p>Where required and where empowered officers are also seeking to manage employer performance.</p> <p>New employer processes have now been embedded, however ongoing resource issues hamper progress. Officers have improved the tracking of information in relation to new set up and cessation work.</p>

Data Management	<p>Failure to meet statutory deadlines due to poor data provision from individual employers, particularly large ones which can heavily impact the Fund's data management.</p> <p>Failure to implement and maintain internal controls particularly in relation to I-Connect. Controls & checks by employers may impact data accuracy and timeliness, noting that information posted through both i-Connect & employer spreadsheets and can be provided late.</p> <p>Failure to obtain good data in respect of TUPE transfers or external payroll changes.</p> <p>Failure to correctly migrate the data associated with the pensioner payroll, including a special exercise concerning unfunded pensions.</p>	Medium	<p>To enable the i-Connect onboarding process officers continue to work with the outstanding employers, particularly major employers. Relevant data quality & financial checks continue.</p> <p>The Fund's employer services, accounting and project teams continue to work together to acquire the essential data from Wiltshire Council.</p> <p>Where other employers or their payroll providers are not providing data (including TUPE data) on a timely basis, or correctly, officers are actively contacting those organisations. Officers note that TUPE information is now steadily being received.</p> <p>Data in relation to the payroll migration from Oracle to Altair continues to be tested as part of parallel running. This includes a special exercises concerning unfunded pension benefits which will need to be returned to WC as a separate exercise and Heywood's migration of payroll data to the live platform.</p>
Stakeholder Engagement	No material risks are current identified in this area	Low	
Funding	No material risks are current identified in this area	Low	
Resourcing	<p>Failure to appropriately resource the Fund and adequately train staff to enable the service to be delivered in a sustainable and reliable way.</p> <p>In addition, key departures leading to a loss of crucial knowledge in the team.</p> <p>Failure to maintain an approved Committee training plan could increase the risk around a lack of knowledge and understanding in key areas</p>	High	<p>A recruitment campaign during the last few months has seen many of the vacancies filled. In addition, a training strategy is ongoing to bring new and existing officers up to speed within the department. Where a knowledge gap exists officers are still able to turn to external consultants and independent advisors for guidance.</p> <p>Whilst vacancies have been filled, key vacancies remain outstanding.</p> <p>The Board/Committee are following their approved training plans and a new training plan for 2024/25 has new been approved.</p>
Climate risk	<p>Failure to manage the risks in the investment portfolios, and/or to take advantage of the investment opportunities which arise from transition to a low carbon economy could cause the Fund to suffer material negative financial impacts.</p> <p>Failure in receiving updated climate data reporting could lead to poor decision making</p>	Medium	<p>The Fund has a climate change policy (within the responsible investment policy), decarbonisation targets, and has assessed alignment of all portfolios. The Fund reports against the requirements of the Task Force on Climate-related Financial Disclosures (TCFD).</p> <p>The investments overall are close to the SAA. Officers continue to liaise with BPP and other Funds in the group to ensure that the SAA of the Fund's climate change flightpath remains on track.</p>
Projects	<p>Failure of projects to be managed effectively, the key projects currently being McCloud and the Pensions Dashboard. Regular oversight is provided by the management team, Committee and Board to avoid projects failing.</p> <p>Failure of software applications being supported in the future such as MSS requires a project to be put in place to manage change to a new platform</p>	Medium	<p>McCloud calculation routines have been run and its is anticipated that only about 200 potential members will be effected.</p> <p>A Pension Dashboard interface procurement is underway with a view to being completed by December 2024.</p> <p>The external provider will not support MSS after October 2025. A project plan is to be created to migrate the Fund's services to the new platform.</p>
Reputational risk	<p>Failure to manage the Fund's reputation due to factors such as government policy, press attention, poor service delivery, controversial investments, failure to achieve our climate targets, failure to achieve statutory reporting requirements, breaches of law and regs, and other factors beyond the Fund's control.</p>	Medium	<p>Officers are monitoring the Fund's public image to manage signs of increased scrutiny on the LGPS and its potential impact on Fund's reputation</p>
Other External Risks	No "other" risks currently identified.	Low	

