

## **WILTSHIRE COUNCIL**

WILTSHIRE LOCAL PENSION BOARD  
22 August 2019

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### **WILTSHIRE PENSION FUND RISK REGISTER**

#### **Purpose of the Report**

1. The purpose of this report is to update the Local Pension Board in relation to changes to the Fund's Risk Register (see Appendix A), in terms of both;
  - a) The format of the Risk Register; and
  - b) The content of the Risk Register.

#### **Background**

2. The existing format of the Risk Register had been in place since May 2009 & it had been observed that it had become an increasingly static document. Guidance by the Board and a recommendation made by the Director of Finance & Procurement to reformat the Risk Register to be consistent in manner with the Council's wider corporate risk strategy were therefore adopted to make it a more dynamic method of managing the Fund's risks.
3. The Members original request to highlight changes, particularly upward/downward movements in individual risks & report back to the Board and Committee on a quarterly basis, will continue to be observed.

#### **Key Considerations for the Board / Risk Assessment**

4. The new design of Risk Register has allocated the existing risks from PEN001 to PEN027 across 4 strategic categories, namely "Horizon risks", "Dynamic risks" & "Ongoing risks" & "Ceased risks". In addition, officers have reviewed the following information to identify new risks which have been assigned reference numbers PEN028 to PEN048;
  - a) The Scheme Update;
  - b) Business Plan;
  - c) Audit recommendations;
  - d) Minutes of meetings;
  - e) The Fund's KPI dashboard; and
  - f) Risks relating to Brunel and investment pooling.

It is anticipated that this strategy will enable the Fund to better identify & manage risks as they pass through the Risk Register from being identified as a horizon risk to becoming an ongoing risk whereby all the necessary mitigations have been applied & finally to a ceased risk, whereby the Committee can delegate the risk to officers to monitor on their behalf.

5. Another key feature of the new Risk Register is reclassifying the risk categories to be consistent with CIPFA categories that are recommended. The eight CIPFA categories are set out in the table below. A secondary classification of risk by Fund objective laid out in the business plan, or Fund service function would enable a more granular identification of risk.



6. To help the Fund identify, quantify, manage & mitigate risks, the Risk Register is accompanied by the Council's Corporate Risk Register guidance document which has been tailored to the Fund's requirements. Whilst a tailored Fund version of the document has been prepared for the Fund it has not been included within this meeting pack information on the grounds of brevity.
7. Regarding risk identification, it was recommended that the scoping of any new risks should be more specific in nature and as prescribed by the guidance document, to ensure that the Risk Register remains dynamic in nature. In turn this will assist the management, monitoring & mitigation of risks.
8. The new Risk Register will continue to score the significance of risks as measured by interaction of the likelihood of occurrence (likelihood) and the potential impact of such an occurrence (impact). This register will use the Council's standard "4x4" approach, which produces a risk status of Red, Amber or Green (RAG).

#### **COMMITTEE'S REVIEW**

9. The Committee is requested to review the new design of the Risk Register and provide guidance in the following key areas;
  - a) That the design of the reformatted Risk Register serves the requirements of the Committee;
  - b) That the more evidential method by which risks are identified & managed are clear and transparent; and
  - c) That the risks recorded on the new Risk Register presented to the Committee, represent all the pertinent risks currently being faced by the Fund & that the risks have been allocated in their opinion correctly across the 4 categories of Horizon, Dynamic, Ongoing & Ceased risks.

#### **BOARD REVIEW**

10. The Committee commented that they wished to review risks on an exception basis & where risks had ceased, so verify the reason for its cessation. To assist the Committee the Board will therefore;
  - a) Review the Risk Register & recommend risks which can be classified as ceased & monitored by officers;
  - b) Provide guidance to officers on the risk ratings given to the remaining risks; and
  - c) Confirm that going forward the following risk to be presented to Committee should be.
    - i) New risks;
    - ii) Recommended ceased risks;
    - iii) Risks where there has been a change to the rating; and
    - iv) Risks with a "Red" rating.

#### **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 Board is asked to review the new Risk Register and assist the Committee as specified in point 10.

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