

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
14 November 2019

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. 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.

Key Considerations for the Committee / Risk Assessment

4. 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).
5. During the last quarter the following "new risks" were identified.
 - **PEN018: Failure to set in place appropriate Cyber Security measures:** (Green) Over reliance by Fund is potentially being placed on its Administering Authority's IT security arrangements & that of its key software database providers without proper scrutiny/reporting of their security arrangements.
6. The evidence-based review of the register identified the following risks had changed or need to be recategorized;
 - **PEN042: Significant retrospective legislation changes related to the McCloud case:** (From Red to Amber) On actuarial guidance it is anticipated that whilst a review will be required the financial impact may be minimal as in most cases the underpin check for a member's benefits will not bite. However, the

administrative impact is still expected to be material and hence this risk has been set at amber.

- **PEN032: Failure to manage Fund budgets & controllable costs:** (From Amber to Green) Budget monitoring reports are now submitted to the Committee at each quarterly meeting.
- **PEN017: A lack of knowledge and expertise on the Pension Fund Committee:** (From Amber to Green) Generally both Committee & Board members are taking a more active approach to training and requesting structured training in key areas.

7. Risks remaining “red”, high risk:

- **PEN048: The transition to pooling of LGPS assets with BPP fails to deliver the projected savings:** Progress and updates should continue to be regularly reported to Committee

8. It is recommended that two risks are removed from quarterly presentation by the Committee. These are;

- **PEN035: Failure to maintain the Pension Administration Strategy as an effective strategy document:** (Green) A draft Pension Administration Strategy has been prepared for presentation to the Committee in December. It will relate to the Fund's business plan.
- **PEN011: Lack of expertise of Pension Fund Officers and Service Director, Finance:** The Director of Finance & Procurement is still being filled on an interim basis but other senior officer roles in the Pension Fund are now filled by permanent staff for a significant period of time. This risk has therefore reduced.

Financial Implications

9. No direct implications.

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 currently.

Proposals

13. The Board is asked to note the attached Risk Register and recommend the changes/actions made by officers to in points 5 to 8 to the Committee.

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