

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
21 May 2020

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.
 - **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.
6. 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.

7. 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 & managed, until the risk(s) subside.

8. 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 Board & Committee has seen the management improve. It is recommended that this risk be moved from Dynamic to dormant.
- **PEN011: Lack of expertise of Pension Fund Officers and Service Director, Finance:** (Amber to Green) Bad decisions made may be made in relation to any of the areas on this register, however with a permanent s151 Officer appointed, other officer established in their posts & a new officer training plan implemented this risk has reduced, and it is recommended that it be moved from Ongoing 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.

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 in points 5 to 8 to the Committee.

ANDY CUNNINGHAM
Head of Pensions Administration and Relations

Report Author: Richard Bullen, Fund Governance & Performance Manager

Unpublished documents relied upon in the production of this report: NONE