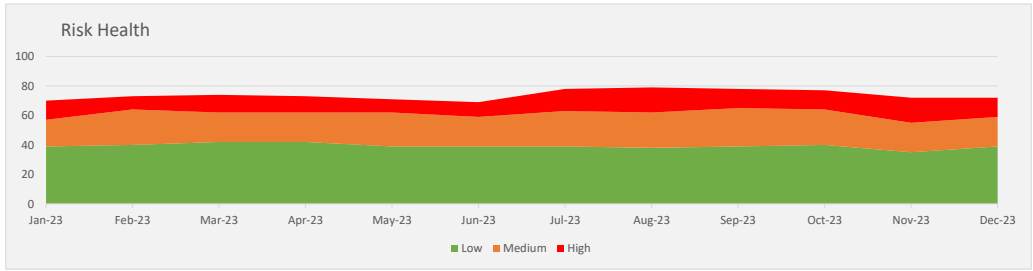
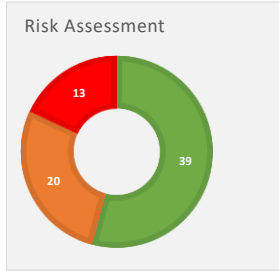


Committee Risk Register

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 the internal backlogs which staff are seeking to reduce.</p> <p>The processing of death notifications is a key risk in the failure to meet KPI targets.</p> <p>A risk that resourcing constraints will cause work to not be received and allocated in a timely manner.</p> <p>Poor or out of date documentation, particular of an external nature could lead to service risks</p>	High	<p>A new business plan for 2024/2027 is being prepared for March 2024 and a KPI Improvement plan has also been developed.</p> <p>A Service Improvement team has settled in well to facilitate data preparation and in turn productivity. The SIT Team are focused on undertaking work to reduce the internal backlog.</p> <p>A work allocation system has been embedded for member services, with employer services managing their own work using different measures of reporting.</p> <p>Weekly KPIs are now circulated and analysed and weekly insights have been launched for the member services team which show staff productivity.</p> <p>Embedding the use of bulk processing is now better supporting Fund processes.</p> <p>A review of member documentation is being undertaken to make sure its clear, accurate and concise.</p> <p>A first report is anticipated of possible membership deaths, now that the new mortality screening arrangements are in place. A special exercise to focus on potential cases will be managed.</p>
Financial Management	<p>Failure to maintain an accurate employer contribution rate schedule, or the Fund is unable to determine if it is receiving the correct contributions, or identify ceasing employers at an early stage is a key risk</p> <p>The Fund pays incorrect pensions, lump sums and other one off payments to pensioner members. In particular, where the new Oracle system is not operating effectively.</p> <p>Failure to process Treasury Management actions on a timely basis could be caused by changes to external approval limits. It could also impact budgeting and forecasting.</p> <p>A lack of guidance relating to covenant reviews and processes could cause a financial risk to the Fund.</p> <p>The non-reporting of information to complete Fund and employer accounts could lead to reputational damage.</p>	Medium	<p>Officers maintain an Employer Contribution and Data Management Working Group to mitigate the risk of the schedule not being maintained. An update will be presented to members at each meeting cycle.</p> <p>Officers ensure that the contributions rates are implemented & paid by all employers, and that this requirement is maintained.</p> <p>Covenant guidance requested from Hymans remains outstanding and is being followed up by officers. An employer process review has been undertaken with changes implemented, particularly in relation to the management of Admission Agreements which have ceased or lapsed.</p> <p>Officers are working with Wiltshire Council Finance to ensure that the appropriate approval limits are in place.</p> <p>The new Oracle rollout has impacted ledger coding, poor quality recording in the accounts & access issues. Officers are working with the Evolve team to resolved these issues.</p> <p>Officers are liaising with Hymans to ensure all Scheme Employers are receiving the FRS102 reports they need to complete their company accounts.</p>
Fund Governance	<p>Failure to maintain the implemented risk and control framework and embed it into departmental culture</p> <p>A failure to receive consistent independent auditing of the Fund's internal controls could lead to material risks being created.</p> <p>A failure to manage key procurements and ensure the completion of these procurements as a result of poor resource knowledge and experience. This concern extends to the sourcing of existing contracts.</p>	Medium	<p>Officer training on the risk and control framework has been completed and regular meetings are held to reinforce the concept. An independent audit in 2024/25 is scheduled in relation to risk management.</p> <p>Officers are working with both the procurement team and internal auditors to ensure that these strategic management issues of the Fund are fulfilled.</p>

Systems Management	The Council's contract with SAP expires in December 2023. However, SAP's payroll function is currently planned to continue until April 2024. The Evolve Project plans to migrate the payroll to other fund service to Oracle during 2023/24.	Medium	The migration to new payroll databases is crucial. In addition, other SAP functions such as HR could also impact the Fund if not properly migrated. Implementation of the Altair payroll to mitigate the cessation of SAP will help, however the Fund remains reliant on the Council's Evolve programme to move forward as expected. The expected mitigation is due in April 2024.
Investment	Investment performance by managers is poor or misaligned with expectations leading to risks concerning the funding level, the achievement of the investment strategy and poor benchmarking. BPP needs to operate effectively to ensure funds are well managed & investments are made on a timely basis and delivering their objectives.	Medium	The Fund is working with Brunel on pooling arrangements, particularly in relation to stock holdings not consistent with the Fund's SAA. Progress is slow in this area with a recent complaint letter being rejected. The autumn statement 2023 indicated more investment powers into pooling arrangements. The Fund is currently benefitting from net fee savings and costs are under constant pressure to rise with high budget increases. The new BPP budget request for 2024/25 was 19%, but now reduced to 15%. Officers are working with BPP and other authorities in the partnership to update BPP's constitution. A new arrangement with BPP is enabling face to face visits concerning portfolio discussions
Compliance with Regulations	Anticipated changes in legislation could impact the Fund adversely, specifically regarding compliance and resourcing. Failure to achieve statutory requirements & deadlines due to work volumes A lack of governance resource and experience could lead to the Fund losing its Stewardship Reporting status	Medium	Regular updates to the Committee and Board enable all stakeholders to monitor any potential changes in legislations. This work is supported by adviser guidance. The new pooling guidance may increase areas of potential conflict between BPP and the Fund. Project planning and holding of regular management meetings to ensure deadlines are achieved. Where required, meetings with Scheme Employers are also held to ensure deadlines are met, where those deadlines involve 3rd party input. Fund officers are seeking to fill a key Investment Governance officer vacancy to prevent regulatory failure. Officers are also completing work where a statutory deadline needs to be met.
Performance	Poor operational performance, communication and implementation of new software and working practices could lead to an increased management of complaints	Medium	The implementation of Oracle has seen a surge in complaints from informal through to IDPRs. Officers are devoting resource to manage and mitigate the level of complaints, including extending the contract of the independent adjudicator.
Employer Management	Contacts have inadequate knowledge, skills and experience to administer the Scheme correctly and effectively. Contact maintenance requires ongoing improvement. Employers are not set up, maintained or leaving the Fund correctly. This can affect the starting position for funding, unitisation adjustments, pooling or cessation arrangements due to untimely or incorrect information.	Medium	The Fund offers training to employers to mitigate the risks highlighted. Implementation of the Stabilisation Policy provides a certain amount of increased security for employers. The Fund also works closely with our Actuarial advisers to ensure new sets up are managed correctly. In addition, officers maintain the Fund's unitisation database. An exercise updating the employer contacts is being reviewed.
Data Management	A lack of i-Connect controls & checks may impact data accuracy and timeliness, noting that information is posted through both i-Connect & employer spreadsheets and can be provided late. Poor data provision from large individual employers can heavily impact the Fund's data management and its ability to fulfil statutory deadlines. A lack of i-Connect controls & checks may impact data accuracy and timeliness, noting that information is posted through both i-Connect & employer spreadsheets and can be provided late.	Medium	To enable the i-Connect onboarding process officers have worked closely with the outstanding employers, particularly major employers to obtain outstanding data. The suspended process will now recommence. Relevant data quality checks associated with i-Connect submissions have been implemented and then passed to accounts for financial checks. A clear plan is now in place. However, with the migration to Oracle, accounting resource has been assigned to managing this implementation. Assignment of responsibilities to specific officers aids the management of data. Where employers or their payroll providers are not providing data on a timely basis, or correctly, officers are actively contacting those organisations. TUPE & cessation reporting is in place and officers are migrating work to LGPS Create to enable more effective processing.
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>The Fund is not appropriately resourced and staff all adequately trained to enable the service to be delivered in a sustainable and reliable way. In addition, key departures could lead 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>Key people in the team are seeking to transfer specialist knowledge to colleagues by documenting procedures and notes. In addition, a training strategy is under review for the department. However, in the event of a knowledge gap, we can call on our external consultants and independent advisors for help in the short-term;</p> <p>Whilst key vacancies have been filled staff have also left leading to a cycle of recruiting & replacement which can effect the overall knowledge base.</p> <p>Employer service staff have received focussed training relating to their roles to mitigate processing errors and encourage i-Connect data checks.</p> <p>The Committee approved their training plan in November and will review their 2024/25 in March, noting the implementation of new legislation.</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>Difficulty in receiving climate data reporting from the Fund's Investment consultants and pooling arrangement 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>BPP continue to hold stock in the name of the Fund which is not in accordance with the Fund's climate change flightpath. This could lead to reputational damage. Officers continue to liaise with BPP and other Fund's in the group to ensure that the SAA of the Fund's climate change flightpath remains on track</p>
Projects	<p>Projects are managed by a designated Project Manager. Key projects currently being managed are the Backlog project and McCloud. The backlog project has been outsourced to a 3rd party administrator. Regular oversight of & updates to the management team, Committee and Board to avoid the projects failing. The other projects relating to internal backlogs & the introduction of a new payroll system are also considered a risk areas and are being managed in a similar way.</p> <p>The McCloud project is beginning to move forward and the outsourced backlog project is due to cease by 31 January 2024.</p> <p>Failure of the Evolve programme is also contributing to risk in this area, as well as a possible risk associated with the implementation of the Altair payroll system.</p>	High	<p>As part of the oversight of Evolve Payroll Programme periodic strategic updates are received by the s151 Officer to assess level of risk.</p> <p>Mitigations relating to the Evolve project involve the implementation of an Altair payroll system, and weekly meeting with Evolve team.</p> <p>From October McCloud calculation routines have been run and its anticipated that only about 50 potential members will be effected.</p> <p>Officers continue to work with Hymans to mitigate delays and bring the outsourced backlog casework to a satisfactory conclusion by 31 January, to hand back to the WPF.</p>
Other External Risks	No "other" risks currently identified.	Low	

Administrative use only

Risk Assessment		72
Low	39	54%
Medium	20	28%
High	13	18%

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23		
Low	39	40	42	42	39	39	39	38	39	40	35	39		
Medium	18	24	20	20	23	20	24	24	26	24	20	20		
High	13	9	12	11	9	10	15	17	13	13	17	13		