

## WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD  
25 January 2017

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### 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) that were presented to the Pension Fund Committee on 15 December 2016.

#### Background

2. The Committee approved a Risk Register for the Wiltshire Pension Fund at its meeting on 12 May 2009. Members requested that the highlights, particularly upward/downward movements in individual risks, be reported back to the Committee on a quarterly basis.

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

3. The significance of risks is measured by 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).
4. There are two changes to the risks since the last report on 29 September 2016. All these changes relate to the regulatory and governance aspects of the Fund.
5. ***PEN006b: Significant rises in employer contributions for non-secure employers due to increases in liabilities.*** This has moved from amber to green following the results of the 2016 triennial valuation being presented to Committee in October. The increases in non-secure employers contributions rates has for the majority been limited as a result of better than expected investment returns, improved membership liability experience and changes to the actuarial assumptions. For those few employers that have seen larger increases the risk based framework for the review of employer covenant strength is now in place that can be utilised, if required, to phase in the increases.
6. ***PEN011: Lack of expertise of Pension Fund Officers.*** This has reduced from amber to green following the appointment of the Technical & Compliance Manager to cover the Benefit's Manager maternity leave, with Hymans Robertson providing additional technical support over the next 6-9 months. This will ensure, in the short term levels of expertise are maintained at adequate levels for the provision of service. Over the longer term, this position will be reviewed once the impact from Brunel Pension Partnership pooling is better understood.
7. Also to note is that ***PEN020: Pooling of LGPS assets*** remains a red risk. There is significant amount of resource required by officers to progress this project should the full business case be approved. However, additional support has now been arranged with the Fund's benefits consultants to provide extra resources over the next 6-9 months. This position will be kept under review as a better understanding of the potential movement of staff out of the Fund to the Brunel pool should be known by mid 2017.

8. Work continues to mitigate where possible the risks above along with the other remaining medium risks highlighted on the risk register.

**Financial Implications**

9. There are no known implications from the proposals.

**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 at this time.

**Proposals**

13. The Board is asked to note the attached Risk Register and measures being taken to mitigate risks.

MICHAEL HUDSON  
Treasurer to the Pension Fund

Report Author: David Anthony, Head of Pensions

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

| Wiltshire Pension Fund Risk Register |                                                                                      |                         |                                                                                                                                              |                                                                                                                                                                                                                   |               |                                                                                                                                                                                                                                                                                                                                         | 06-Dec-16 |            |   | Current Risk Rating |                                                                                                                                                                                                           |                   | Target Risk Rating            |        |            |   |               |                |                     |
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| Ref.                                 | Risk                                                                                 | Risk Category           | Cause                                                                                                                                        | Impact                                                                                                                                                                                                            | Risk Owner    | Controls in place to manage the risk                                                                                                                                                                                                                                                                                                    | Impact    | Likelihood | x | Level of risk       | Further Actions necessary to manage the risk                                                                                                                                                              | Risk Action Owner | Date for completion of action | Impact | Likelihood | x | Level of risk | Date of Review | Direction of Travel |
| PEN001                               | Failure to process pension payments and lump sums on time                            | Benefits Administration | Non-availability of ALTAIR pensions system, SAP payroll system, key staff, or error, omission, etc.                                          | Retiring staff will be paid late, which may have implications for their own finances. It also has reputational risk for the Fund and a financial cost to the employers if interest has to be paid to the members. | David Anthony | Maintenance and update of ALTAIR and SAP systems, sufficient staff cover arrangements, sufficient staff training and QA checking of work. Adherence to Pension Administration Strategy and regular monitoring of performance. Documentation of processes and reconciliations.                                                           | 2         | 2          | 4 | Low                 | None                                                                                                                                                                                                      | David Anthony     |                               | 2      | 2          | 4 | Low           | 6 Dec 16       | →                   |
| PEN004                               | Inability to keep service going due to loss of main office, computer system or staff | Benefits Administration | Fire, bomb, flood, etc.                                                                                                                      | Temporary loss of ability to provide service                                                                                                                                                                      | David Anthony | Business Continuity Plan reviewed in Dec 2015 and in place. The team have the ability to work from home or remotely if required. The pension system is also hosted by its supplier, which reduces the risk should Wiltshire Council's IT servers fail. The Fund also operates a paperless office.                                       | 4         | 1          | 4 | Low                 | None                                                                                                                                                                                                      | David Anthony     |                               | 4      | 1          | 4 | Low           | 6 Dec 16       | →                   |
| PEN005                               | Loss of funds through fraud or misappropriation                                      | Benefits Administration | Fraud or misappropriation of funds by an employer, agent or contractor                                                                       | Financial loss to the Fund                                                                                                                                                                                        | David Anthony | Internal and External Audit regularly test that appropriate controls are in place and working. Regulatory control reports from investment managers, custodian, etc, are also reviewed by audit. Due Diligence is carried out whenever a new manager is appointed. Reliance is also placed in Financial Services Authority registration. | 4         | 1          | 4 | Low                 | None                                                                                                                                                                                                      | Catherine Dix     |                               | 4      | 1          | 4 | Low           | 6 Dec 16       | →                   |
| PEN014                               | Failure to provide the service in accordance with sound equality principles          | Benefits Administration | Failure to recognise that different customers have different needs and sensitivities.                                                        | Some customers may not be able to access the service properly or may be offended and raise complaints. At worst case, this could result in a court case, etc.                                                     | David Anthony | The Fund has done an Equality Risk Assessment and has an Equality Implementation Plan in place                                                                                                                                                                                                                                          | 2         | 1          | 2 | Low                 | None                                                                                                                                                                                                      | David Anthony     |                               | 2      | 1          | 2 | Low           | 6 Dec 16       | →                   |
| PEN021                               | Ability to Implement the Public Sector Exit Cap                                      | Benefits Administration | Introduction of exit cap will require an additional burden on the administration team.                                                       | Changes need to be communicated to individuals and employers and systems adapted once the revised regulations have been approved                                                                                  | David Anthony | Currently monitoring the progress of the current consultations and responding where appropriate. Briefings being provided to team and stakeholders. Concern that further information is still pending from Government.                                                                                                                  | 2         | 2          | 4 | Low                 | Discussions with employers on how to implement. Training for the team on how to implement. Project to amend systems and letters to accommodate changes. Not anticipating implementation until April 2017. | Craig Payne       | Apr-17                        | 1      | 3          | 3 | Low           | 6 Dec 16       | →                   |
| PEN022                               | Reconciliation of GMP records                                                        | Benefits Administration | From 1 April 2016 SERPS will cease and HMRC no longer provide GMP data on members. Fund will be unable to check accuracy of its GMP records. | If GMP records for members is inaccurate there is the potential for incorrect liabilities being paid by the Fund.                                                                                                 | David Anthony | Project has been set up and 2 Data Analysts employed to assist with resources. Additional software from Heywood's to process amendments in bulk has been purchased.                                                                                                                                                                     | 2         | 4          | 8 | Medium              | Reconciliation project on-going. Need to agree policies for tolerances with Committee.                                                                                                                    | Mark Anderson     | Dec-17                        | 1      | 3          | 3 | Low           | 6 Dec 16       | →                   |

| Ref.    | Risk                                                                                                         | Risk Category         | Cause                                                                                                                                                                                                  | Impact                                                                                                                                                                                                     | Risk Owner    | Controls in place to manage the risk                                                                                                                                                                                                                                                                                                                                                                                                                                         | Current Risk Rating |            |   |               | Further Actions necessary to manage the risk                                                                                                                                                                                                                                                  | Risk Action Owner | Date for completion of action | Target Risk Rating |            |   |               | Date of Review | Direction of Travel |
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|         |                                                                                                              |                       |                                                                                                                                                                                                        |                                                                                                                                                                                                            |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Impact              | Likelihood | x | Level of risk |                                                                                                                                                                                                                                                                                               |                   |                               | Impact             | Likelihood | x | Level of risk |                |                     |
| PEN003  | Insufficient funds to meet liabilities as they fall due                                                      | Funding & Investments | Contributions from employees / employers too low, failure of investment strategy to deliver adequate returns, significant increases in longevity, etc.                                                 | Immediate cash injections would be required from the scheme employers. This shouldn't be an issue for the Fund but it looks likely that investment income might need to be used within the next 12 months. | David Anthony | Funding Strategy Statement, Investment Strategy, Triennial Valuations, membership of Club Vita, modelling of future cash flows.                                                                                                                                                                                                                                                                                                                                              | 2                   | 2          | 4 | Low           | None                                                                                                                                                                                                                                                                                          | David Anthony     |                               | 4                  | 1          | 4 | Low           | 6 Dec 16       | →                   |
| PEN006a | Significant rises in employer contributions for secure employers due to increases in liabilities             | Funding & Investments | Scheme liabilities increase disproportionately as a result of increased longevity, falling bond yields, slack employer policies, etc. The current price of gilts lead to a worsening Funding Position. | Employer contribution rates become unacceptable, causing upward pressure on Council Tax and employers' costs.                                                                                              | David Anthony | Longevity and bond yields are really beyond the control of the Fund although some Funds have considered buying longevity insurance through the use of SWAPS. However, the Fund and each employer must have a Discretions Policy in place to help control discretionary costs (e.g. early retirements, augmented service, etc). Quarterly monitoring in liabilities movements is undertaken providing advance warning to employers.                                           | 2                   | 1          | 2 | Low           | The Stabilisation Policy has limited increases for secure employer. This approach has been used for the 2016 Valuation.                                                                                                                                                                       | David Anthony     |                               | 2                  | 2          | 4 | Low           | 6 Dec 16       | →                   |
| PEN006b | Significant rises in employer contributions for non-secure employers due to increases in liabilities         | Funding & Investments | Scheme liabilities increase disproportionately as a result of increased longevity, falling bond yields, slack employer policies, etc. The current price of gilts lead to a worsening Funding Position. | Employer contribution rates become unacceptable, causing upward pressure on Council Tax and employers' costs.                                                                                              | David Anthony | Longevity and bond yields are really beyond the control of the Fund although some Funds have considered buying longevity insurance through the use of SWAPS. However, the Fund and each employer must have a Discretions Policy in place to help control discretionary costs (e.g. early retirements, augmented service, etc). Quarterly monitoring as described above. The 2016 Valuation will set employer rates for the 3 years from April 2017.                          | 2                   | 2          | 4 | Low           | The rates for the 2016 Valuation were presented in October. The better than expected investment performance along with improving membership experience and reviewing of assumptions has meant most increases have not been significant.                                                       | David Anthony     |                               | 2                  | 2          | 4 | Low           | 6 Dec 16       | ↓                   |
| PEN007a | Significant rises in employer contributions for secure employers due to poor/negative investment returns     | Funding & Investments | Poor economic conditions, wrong investment strategy, poor selection of investment managers, poor consideration of all financial & non-financial risks including ESG issues.                            | Poor/negative investment returns, leading to increased employer contribution rates                                                                                                                         | David Anthony | Use of expert consultants in the selection of investment strategy and investment managers, regular monitoring of investment managers (1/4ly), regular reviews of investment strategy (annually). Monthly review of % of Fund held in each mandate. Also a flight path strategy implemented to take off risk as funding levels improve. Fund member of LAPFF & uses PIRC to proxy vote on shares in line with agreed policy for ESG issues. Compliance with Stewardship code. | 2                   | 1          | 2 | Low           | The implementation of the Stabilisation Policy limits increases for secure employer. This policy has continued in the 2016 Valuation. A new Investment Strategy Statement will be implemented by April 2017.                                                                                  | David Anthony     |                               | 2                  | 2          | 4 | Low           | 6 Dec 16       | →                   |
| PEN007b | Significant rises in employer contributions for non-secure employers due to poor/negative investment returns | Funding & Investments | Poor economic conditions, wrong investment strategy, poor selection of investment managers, poor consideration of all financial & non-financial risks including ESG issues.                            | Poor/negative investment returns, leading to increased employer contribution rates                                                                                                                         | David Anthony | Use of expert consultants in the selection of investment strategy and investment managers, regular monitoring of investment managers (1/4ly), regular reviews of investment strategy (annually). Monthly review of % of Fund held in each mandate. Also a flight path strategy implemented to take off risk as funding levels improve. Fund member of LAPFF & uses PIRC to proxy vote on shares in line with agreed policy for ESG issues. Compliance with Stewardship code. | 2                   | 2          | 4 | Low           | A risk based framework is now in place to review employers long term financial stability. This informs the policy for stepping in contribution rates to assist in affordability issues where requested by an employer. A new Investment Strategy Statement will be implemented by April 2017. | David Anthony     |                               | 2                  | 2          | 4 | Low           | 6 Dec 16       | →                   |

| Ref.   | Risk                                                                                  | Risk Category           | Cause                                                                                                                                                                 | Impact                                                                                                                                                                                                                                  | Risk Owner    | Controls in place to manage the risk                                                                                                                                                                                                                                                                                                                                                                                            | Current Risk Rating |            |   |               | Further Actions necessary to manage the risk                                                                                                                                                                                                                                                                                                                                                                             | Risk Action Owner | Date for completion of action | Target Risk Rating |            |   |               | Date of Review | Direction of Travel |
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|        |                                                                                       |                         |                                                                                                                                                                       |                                                                                                                                                                                                                                         |               |                                                                                                                                                                                                                                                                                                                                                                                                                                 | Impact              | Likelihood | x | Level of risk |                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |                               | Impact             | Likelihood | x | Level of risk |                |                     |
| PEN015 | Failure to collect payments from ceasing employers                                    | Funding & Investments   | When an employer no longer has any active members a cessation valuation is triggered and a payment is required if a funding deficit exists to meet future liabilities | Failure to collect cessation payments means the cost of funding future liabilities will fall against the Wiltshire Pension Fund                                                                                                         | David Anthony | The Pension Fund Committee approved a new Cessation Policy in March 2016 to provide an updated agreed framework for recovery of payments. All new admitted bodies require a guarantor to join the Fund. It also provides additional flexibilities for the Fund dealing with employers cessation payments.                                                                                                                       | 2                   | 2          | 4 | Low           | Concern over ability for Head of Pensions to spend sufficient time covering the strategic employer issues with the on-going Brunel project. Additional time to be planned to assist in training Employer Relations Manager.                                                                                                                                                                                              | David Anthony     |                               | 2                  | 1          | 2 | Low           | 6 Dec 16       | ---->               |
| PEN016 | Treasury Management                                                                   | Funding & Investments   | The Fund's treasury function is now segregated from Wiltshire Council. This includes the investment of surplus cash in money markets.                                 | Exposure to counterparty risk with cash held with external deposit holders could impact of Funding level of the Fund                                                                                                                    | David Anthony | The Pension Fund agreed an updated Treasury Management Strategy at the March meeting which follows the same criteria adopted by Wiltshire Council but limits individual investments with a single counterparty to £6m.                                                                                                                                                                                                          | 3                   | 1          | 3 | Low           | The Council uses Sector's credit worthiness service using ratings from three rating agencies to provide a score. Surplus cash is transferred to the Custodian at month end ensuring cash balances are minimal.                                                                                                                                                                                                           | Catherine Dix     |                               | 3                  | 1          | 3 | Low           | 6 Dec 16       | ---->               |
| PEN024 | Impact of EU Referendum                                                               | Funding & Investments   | The impact of the EU referendum                                                                                                                                       | A vote to exit the EU may produce short term volatile market movements which could impact on asset performance.                                                                                                                         | David Anthony | The Fund has liaised with its investment managers on the potential impact of an exit. The Fund has agreed to revert to a 50% overseas equities hedged position for the current timeframe to reflect the current weakness of sterling.                                                                                                                                                                                           | 3                   | 2          | 6 | Medium        | Markets have appeared to have settled since the BREXIT vote. Concern still high that longer term investment returns might be adversely affected. Risk mitigation tools be considered by Investment Sub Committee to protect Fund from future downside risk.                                                                                                                                                              | Catherine Dix     | Mar-17                        | 3                  | 1          | 3 | Low           | 6 Dec 16       | ---->               |
| PEN002 | Failure to collect and account for contributions from employers and employees on time | Regulatory & Governance | Non-availability of SAP systems, key staff, error, omission, failure of employers' financial systems, failure to communicate with employers effectively. LGPS 2014    | Adverse audit opinion for failure to collect contributions by 19th of month, potential delays to employers' FRS17 year-end accounting reports and to the Fund's own year-end accounts.                                                  | David Anthony | Robust maintenance and update of ALTAIR and SAP systems, sufficient staff cover arrangements, sufficient staff training and QA checking of work. We constantly work with employers to ensure they understand their responsibilities to pay by 19th of the month. The Breaches framework now require the Fund to log material late payments.                                                                                     | 2                   | 3          | 6 | Medium        | Undertaking review of framework for monitoring contributions. The amount of employers (170) to review and monitoring is too high for current resource level and in order to ensure compliance with TPR Code, need to ensure each missed payment is reported to Regulator after 90 days. A revised contributions framework is being implemented for January 2017.                                                         | Roz Vernon        | Jan-17                        | 2                  | 2          | 4 | Low           | 6 Dec 16       | ---->               |
| PEN008 | Failure to comply with LGPS and other regulations                                     | Regulatory & Governance | Lack of technical expertise / staff resources to research regulations, IT systems not kept up-to-date with legislation, etc                                           | Wrong pension payments made or estimates given. Investment in disallowed investment vehicles or failure to comply with governance standards. Effect: Unhappy customers, tribunals, Ombudsman rulings, fines, adverse audit reports, etc | David Anthony | Sufficient staffing, training and regulatory updates. Competent software provider and external consultants. Technical & Compliance post reviews process and procedures and maintains training programme for the team. The Pension Regulator now has responsibility from 1 April 2015 for Public Sector Pension Schemes. Their code of practice includes a number of new requirements which the Fund has assessed itself against | 2                   | 3          | 6 | Medium        | Work continues to ensure the Fund can comply fully with the tPR Code of Practice requirements but this may lead to areas of non-compliance in the short term. Any "material" non-compliance will be reported to the Regulator. The Fund has reported to Committee the minor delay in the delivery of the Annual Benefit Statements. An audit report on the Fund's compliance will be reviewed by this Committee in March | David Anthony     | Dec-16                        | 2                  | 2          | 4 | Low           | 6 Dec 16       | ---->               |

| Ref.   | Risk                                                                     | Risk Category           | Cause                                                                                                                                                                                      | Impact                                                                                                                                                                                                                                                                     | Risk Owner    | Controls in place to manage the risk                                                                                                                                                                                                                                                                                                                                                 | Current Risk Rating |            |   |               | Further Actions necessary to manage the risk                                                                                                                                                                                                                                                                            | Risk Action Owner | Date for completion of action | Target Risk Rating |            |   |               | Date of Review | Direction of Travel |
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|        |                                                                          |                         |                                                                                                                                                                                            |                                                                                                                                                                                                                                                                            |               |                                                                                                                                                                                                                                                                                                                                                                                      | Impact              | Likelihood | x | Level of risk |                                                                                                                                                                                                                                                                                                                         |                   |                               | Impact             | Likelihood | x | Level of risk |                |                     |
| PEN009 | Failure to hold personal data securely                                   | Regulatory & Governance | Poor procedures for data transfer to partner organisations, poor security of system, poor data retention, disposal, backup and recovery policies and procedures.                           | Poor data, lost or compromised                                                                                                                                                                                                                                             | David Anthony | Compliance with Wiltshire Council's Data Protection & IT Policies. Annual Data Protection training given to the team. On-going cleansing of data undertaken by Systems Team.                                                                                                                                                                                                         | 2                   | 2          | 4 | Low           |                                                                                                                                                                                                                                                                                                                         | Martin Downes     |                               | 2                  | 1          | 2 | Low           | 6 Dec 16       | →→→                 |
| PEN010 | Failure to keep pension records up-to-date and accurate                  | Regulatory & Governance | Poor or non-existent notification to us by employers and members of new starters, changes, leavers, etc                                                                                    | Incorrect records held, leading to incorrect estimates being issues to members and incorrect pensions potentially being paid.                                                                                                                                              | David Anthony | Systems Team constantly working to improve data quality, data validation checks carried out through external partners (e.g. the Fund's actuaries and tracing agencies), pro-active checks done through national fraud initiative.                                                                                                                                                    | 2                   | 3          | 6 | Medium        | From 1 April 2014, the Pension Regulator will require additional checks on data. Data cleansing is taking place to address this. Also, with the end of "contracting-out" in April 2016, HMRC will no longer take responsibility for GMP data. Work continues with employers to ensure data is accurate.                 | Martin Downes     | Jan-17                        | 2                  | 1          | 2 | Low           | 6 Dec 16       | →                   |
| PEN011 | Lack of expertise of Pension Fund Officers and Service Director, Finance | Regulatory & Governance | Lack of training, continuous professional development and continuous self assessment of skills gap to ensure knowledge levels are adequate to carry out roles to the best of their ability | Bad decisions made may be made in relation to any of the areas on this register, but particularly in relation to investments.                                                                                                                                              | David Anthony | Officers ensure that they are trained and up-to-date in the key areas through attendance at relevant courses and seminars, reading, discussions with consultants and peers, etc. The Technical & Compliance Manager has formulated annual Training Plans and Relevant officers are also reviewed against the CIPFA Knowledge & Skills Framework to ensure adequate expertise exists. | 2                   | 2          | 4 | Low           | The Benefits Manager maternity leave has now been covered by the Technical & Compliance Manager, with support on technical issues being provided by Hymans Robertson in the short term. Two officers though acquired CIPPS Pension Administration Foundation degree over the summer.                                    | David Anthony     |                               | 2                  | 1          | 2 | Low           | 6 Dec 16       | ↓                   |
| PEN012 | Over-reliance on key officers                                            | Regulatory & Governance | The specialist nature of the work means that there are inevitably relatively experts in investments and the local authority pension regulations                                            | If someone leaves or becomes ill, a big knowledge gap if less behind.                                                                                                                                                                                                      | David Anthony | Key people in the team are seeking to transfer specialist knowledge to colleagues. In the event of a knowledge gap, however, we can call on our external consultants and independent advisors for help in the short-term.                                                                                                                                                            | 2                   | 3          | 6 | Medium        | Benefits Manager maternity leave covered by Technical & Compliance Manager. Hymans Robertson providing technical support to the Fund. The Pension Fund Accountant will take maternity leave in March so cover for this post is now required.                                                                            | David Anthony     | Mar-17                        | 2                  | 1          | 2 | Low           | 6 Dec 16       | →→                  |
| PEN017 | Lack of expertise on Pension Fund Committee                              | Regulatory & Governance | Lack of structured training and continuous self assessment of skills gap to ensure knowledge levels are adequate to carry out roles to the best of their ability                           | Bad decisions made may be made in relation to any of the areas on this register, but particularly in relation to investments. There is also a requirement for Fund's to 'Comply or Explain' within their Annual Report on the skills knowledge of members of the Committee | David Anthony | Members are given Induction Training when they join the Committee, as well as subsequent opportunities to attend courses/seminars and specialist training at Committee ahead of key decisions. There is a Members' Training Plan and Governance Policy. Further training and advice can be called on from our consultants, independent advisors and investment managers too.         | 2                   | 3          | 6 | Medium        | The new members training plan for 2015-17 was approved in March 2015. Vice Chair of Pension Committee / Chair of Investment Sub Committee due to step down at next election, one long term Pension Committee Member recently resigned creates concern about continuity and maintain knowledge levels amongst Committee. | David Anthony     |                               | 2                  | 1          | 2 | Low           | 6 Dec 16       | →                   |

| Ref.   | Risk                                                                      | Risk Category           | Cause                                                                                                                                                                                                   | Impact                                                                                                                                                                                                                                      | Risk Owner    | Controls in place to manage the risk                                                                                                                                                                                                                                                                                                                                                                                  | Current Risk Rating |            |    |               | Further Actions necessary to manage the risk                                                                                                                                                                                                                                                                                                                                                     | Risk Action Owner              | Date for completion of action | Target Risk Rating |            |   |               | Date of Review | Direction of Travel |
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|        |                                                                           |                         |                                                                                                                                                                                                         |                                                                                                                                                                                                                                             |               |                                                                                                                                                                                                                                                                                                                                                                                                                       | Impact              | Likelihood | x  | Level of risk |                                                                                                                                                                                                                                                                                                                                                                                                  |                                |                               | Impact             | Likelihood | x | Level of risk |                |                     |
| PEN019 | Establishment of Local Pension Board & Investment Sub-Committee           | Regulatory & Governance | Failure for Wiltshire Council to establish a Local Pension Board, from finding suitable representatives and the officer time required to support this Board and the newly formed pension sub-committee. | Reputational risk from a national perspective and failure to adhere to legislation resulting in action by the Government or the Pension Regulator. Ineffective operation of the Investment sub-Committee leading to bad decision making.    | David Anthony | Local Pension Board, approved by Wiltshire Council on 24 February. Following. Recruitment has taken place and all places filled with first meeting scheduled for 16 July 2015, following induction session on 2 July 2015. These Boards will place additional demands on both Members, in particular the need to undertake training and the pension officers time in the support and provision of information.        | 2                   | 2          | 4  | Low           | A review of the effectiveness of the Investment Sub-Committee was undertaken which indicates its effectiveness and positive contribution in considering investments in more detail and freeing up Pension Committee agenda time. The Local Pension Board Annual Report has shown how its been effective over the past 12 months in assisting in the effectiveness of administration of the Fund. | David Anthony                  |                               | 1                  | 3          | 3 | Low           | 6 Dec 16       | →                   |
| PEN020 | Pooling of LGPS assets                                                    | Regulatory & Governance | The Fund needs to respond to the Government's consultation for significantly ambitious proposals for pooling of LGPS assets                                                                             | If not involved in forming proposals the Government may impose of pooling arrangement on the Fund over which it has not control. If implemented incorrectly this could be costly in terms of additional fees and poor investment returns.   | David Anthony | The Fund is being proactive in exploring options with Project Brunel on the potential feasibility of setting up a pooling arrangement. Progress and updates regularly reported to Committee. The Fund approved the submission to Government in response to the consultation in July 2016. A full business case is now being developed by Brunel supported by officers for consideration by Committee at this meeting. | 3                   | 4          | 12 | High          | There is significant amount of resource required by officers to progress this project following approval of the full business case. Additional support is being provided by benefits consultants to provide extra resources over the next 3-6 months. A better understanding of the potential movement of staff out of the Fund to the pool will be known by mid 2017. .                         | David Anthony                  | Jun-17                        | 1                  | 3          | 3 | Low           | 6 Dec 16       | →                   |
| PEN023 | Resources of Officers and Members to meet the expansion of business items | Regulatory & Governance | The recent expansion of business items resulting from continued consultations, pooling of assets, and additional governance requirements.                                                               | It is increasingly more difficult for officers to thoroughly consider issues and to deliver concise agenda papers covering all the relevant issues, while members are faced with larger report packs trying to cover the pertinent details. | David Anthony | More use of web links within the Committee papers to reduce the size of the packs. The adequacy of officers resources to support the Fund's 3 committees, the on-going pooling agenda and the additional complexities arising from regulatory scheme changes will need to be monitored through work planning and appraisals.                                                                                          | 2                   | 3          | 6  | Medium        | Additional benefits consultant resource is being utilised in the short term to provide cover for officers supporting both Brunel and the on-going Fund workloads. This will be reviewed in 3-6 months time. .                                                                                                                                                                                    | David Anthony                  | Jun-17                        | 1                  | 2          | 2 | Low           | 6 Dec 16       | →                   |
| PEN025 | Academisation of Schools                                                  | Regulatory & Governance | The recent proposals from the Government to encourage all school to convert to academy status.                                                                                                          | Additional governance and administration risk. If all schools were to convert then the number of employers in the Fund could jump from 170 to between 400 and 500.                                                                          | David Anthony | Regular communications with schools to understand their intentions. Questionnaires recently sent to Schools.                                                                                                                                                                                                                                                                                                          | 2                   | 3          | 6  | Medium        | If the number of employers increases significantly the Fund will need to consider resources for managing this increased administration and governance workload. To be kept under review.                                                                                                                                                                                                         | Denise Robinson                | Apr-17                        | 1                  | 1          | 1 | Low           | 6 Dec 16       | →                   |
| PEN013 | Failure to communicate properly with stakeholders                         | Communication           | Lack of clear communications policy and action, particularly with employers and scheme members.                                                                                                         | Scheme Members are not aware of the rights and privileges of being in the scheme and may make bad decisions as a result. Employers are not aware of the regulations, the procedures, etc, and so the data flow from them is poor.           | David Anthony | The Fund has a Communications Manager and Employer Relationship Manager dedicated to these areas full-time, including keeping the website up-to-date, which is a key communications resource. The Fund also has a Communications Policy.                                                                                                                                                                              | 2                   | 2          | 4  | Low           | Member communication continues to be developed and the current round of pension clinics are being held. Both Employer and Members newsletters have been sent out during March / April. Employer forums were held in April and September with an AGM being planned for the New-year.                                                                                                              | Zoe Stannard / Denise Robinson | Jan-17                        | 1                  | 1          | 1 | Low           | 6 Dec 16       | →                   |