

Ref.	Risk	Cause	Impact	Effect	Primary Risk Category (CIPFA)	Secondary Risk Category (Operational)	Risk Owner	Level of risk (Inherent)	Impact	Likelihood	Inherent risk score	Controls in place to manage the risk	Impact	Likelihood	Residual risk score	Further Actions necessary to manage the risk	Level of risk (Residual)	Direction of Travel	Risk Action Owner	Date for completion of action
<b>Horizon Risks</b>																				
PEN042	Significant retrospective legislation changes related to the McCloud case	An age discrimination case taken to Court by a group of firefighters and Judiciary employees	Increased contribution rates for employers and high levels of administration time and complication.	A horizon risk identified which may occur & for which the Committee should consider planning for in the foreseeable future	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	High	3	4	12	None - Whilst it now appears almost certain that a change will take place, it is still unclear exactly what the change will be, its magnitude and how the Fund can mitigate it.	3	4	12	None	High	New	Andy Cunningham	N/A
PEN043	Administration disruption and employer cost pressures cause by the Cost Cap review	The cost cap floor has been breached meaning the Scheme rules need to be adjusted.	Administration: Some impact on administration processes and communications - unknown at the moment as the details have not been finalised. Cost: Higher costs for employers	A horizon risk identified which may occur & for which the Committee should consider planning for in the foreseeable future	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Medium	2	4	8	None until further information is available. Note: this is unlikely to happen until the McCloud case changes are finalised, as McCloud will already increase costs in itself.	2	4	8	None	Medium	New	Andy Cunningham	N/A
PEN021	Ineffective implementation of the Public Sector Exit Cap	The Treasury is consulting on draft regulations to introduce a cap of £95,000 on exit payments in the public sector. This will affect the number of exit payments that exceed or come close to £100,000 and the need to ensure they represent value for money. This will include changes to LGPS regulations. Introduction of exit cap will require an additional burden on the administration team as it is likely to effect all redundancy calculations. Funds are often given little time to implement changes which brings about this risk.	Changes need to be communicated to individuals and employers and systems adapted once the revised regulations have been approved. LGPS Fund's could be in breach of the legislation if they are logically unable to implement the cost cap mechanism once introduced.	A horizon risk identified which may occur & for which the Committee should consider planning for in the foreseeable future	LEGISLATIVE	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Currently monitoring the progress of the developments to allow for the cost cap mechanism. Anticipating any changes to occur quickly and, depending on the final outcomes, WPF will set up a project cover: discussions with employers and changes to employer disbursements policies, benefit and systems calculations and the associate communications.	2	2	4	None	Low	→	Andy Cunningham	N/A
PEN039	The Fund's inability to implement the reforms associated with the Good Governance Project	SAB has requested a review of governance structures for the LGPS using a criteria of four possible governance models which might help funds to deliver good governance for their employers and members. A final consultation report is due in July 2019	Poor governance has a reputational risk impact, leading to poor service for Fund stakeholders, a lack of clarity of roles & responsibilities and potential conflicts of interest emerging	A horizon risk identified which may occur & for which the Committee should consider planning for in the foreseeable future	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Officers have contributed feedback to the consultation exercise in May 2019 and taken part in various discussions. This has helped officers gain an understanding of the likely direction of travel and help ensure the Fund is aligned and prepared (for example by making certain adjustments to the terms of reference).	2	2	4	None	Low	New	Richard Bullen	N/A
PEN040	The Fund's inability to implement the conclusion of the Fair Deal Consultation	This consultation contains proposals which would strengthen the pensions protections that apply when an employee of an LGPS employer is compulsorily transferred to the employment of a service provider	The proposed amendments to the LGPS Regulations 2013 would, in most cases, give transferred staff a continued right to membership of the LGPS. Failure to implement the changes would have a significant impact on affected members benefits.	A horizon risk identified which may occur & for which the Committee should consider planning for in the foreseeable future	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Officers have responded to the consultation but have yet to hear anything further from MHCLG. The next step is likely to be either another consultation or the introduction of legislation. Officers will continue to monitor developments to help ensure it is prepared to make any changes required.	2	2	4	None	Low	New	Denise Robinson	N/A
PEN044	Change to valuation cycle	The Government is consulting on changing the fund valuation cycle. In short term this could mean a one-off 5 year gap followed by quadrennial valuations.		A horizon risk identified which may occur & for which the Committee should consider planning for in the foreseeable future	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	1	3	3	Officers will respond to the consultation stating they are not in favour of such a change	1	3	3	None	Low	New	Andy Cunningham	N/A
PEN045	GMP legislative changes	The Government has been planning to make a number of changes to way that GMPs work which brings about certain risks. In particular, changes to the indexation approach (which have been repeatedly delayed) and equalisation between males and females.	Both sets of plans could increase scheme costs and cause material amounts of additional administrative work.	A horizon risk identified which may occur & for which the Committee should consider planning for in the foreseeable future	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Senior officers to keep themselves apprised of developments.	2	2	4	None	Low	New	Andy Cunningham	N/A
PEN038	The Fund's inability to implement the DWP's Dashboard within a notified timescale.	Late communication by the DWP to specify their requirements for the Fund to comply with this new nationwide Dashboard. Potential for unexpected implementation costs and/or the Fund being unable to meet the reporting requirements.	Non-compliance would lead to a reputational risk for the Fund. A statutory requirement to contribute may also be created.	A horizon risk identified which may occur & for which the Committee should consider planning for in the foreseeable future	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Low	1	2	2	Senior officers to keep themselves apprised of developments and seek more detailed information as the project develops.	1	2	2	None	Low	New	Mark Anderson	N/A

Dynamic Risks																				
PEN034	Failure to implement Lean process review	Low KPI performance has been identified, particularly in relation to the disclosure requirements, as a result of inefficient processes and insufficient training and support.	An end to end processing review of all repeatable processes with the key objectives of improving the customer experience and identifying and realising efficiencies. Semi-automated work allocation is required to target key items of casework more quickly	A new risk identified. The Committee is requested to review its impact	ADMINISTRATION	BUSINESS PLAN (App 1 - 12,14)	Andy Cunningham	Medium	3	2	6	The Fund's Project team has started a programme of work over a 2 year timeframe to review repetitive processes within the dept.	3	1	3		Low	New	Mark Briggs	On-going
PEN036	Failure to implement a Dashboard of KPIs for regular monitoring	Difficulties in extracting the required data from the workflow section of the administration system. Improve the range of Key Performance Indicators (KPIs) produced for the Committee and Local Pension Board to help provide transparency and clearer oversight & management of administration performance.	Failure to implement a dashboard of comparable benchmarks, will be counter to the Pension Regulator's requirements on factors such as data quality measures	A new risk identified. The Committee is requested to review its impact	ADMINISTRATION	BUSINESS PLAN (App 1 - 22) (App 2 - 6)	Andy Cunningham	Medium	3	2	6	Officers are implementing a suite of KPIs to be utilised at different levels. Namely, at a Statutory level, for the Committee & the Board, for use between Employers & the Fund & at management level for use at an operational level within the Pension's dept.	2	1	2		Low	New	Mark Anderson	On-going
PEN037	Failure to implement a strategy to address the administration backlogs	Failure to effectively administer the scheme could result in incorrect payments, inefficiencies in the process, failure to meet disclosure timetables, complaints and inadequate oversight over the fund.	Poor administration resulting in incorrect payments and can lead to reputational risk issues. The mitigation of this risk is contingent on the mitigation of other risks such as PEN034 & PEN036	A new risk identified. The Committee is requested to review its impact	ADMINISTRATION	BUSINESS PLAN (App 1 - 19) SWAP Key controls audit 2018/19	Andy Cunningham	Medium	3	3	9	The implementation of PEN034 & PEN036 along with addressing the internal auditors comments in their 2018/19 Key Controls report should mitigate this risk	3	2	6		Medium	New	Jennie Green	On-going
PEN029	Failure to implement the effectiveness review between the Committee & Board	An effectiveness review conducted by Hymans was undertaken in 2018, following which a report was produced and a focus group of key Wiltshire Council stakeholders created to act on the outcomes of the Report.	An ineffective Committee & Board could lead to a poorly run Pension Fund, which has a lack of governance and internal controls. Defining the roles & responsibilities of all groups & stakeholders enable clarity of purpose & efficient management.	A new risk identified. The Committee is requested to review its impact	GOVERNANCE	BUSINESS PLAN (App 1 - 21,24)	Andy Cunningham	Medium	3	3	9	Creation of a Focus steering group to implement the recommendations of the Hymans report. A review of Governance documentation, such as Terms of Reference, to bring it up to date and ensure that all documentation is consistent & integrated with the other documentation around it.	2	2	4		Low	New	Richard Bullen	On-going
PEN019	A lack of effectiveness arising from inadequate maintenance of the way the Local Pension Board & Investment Sub-Committee operate.	Failure of Wiltshire Council to maintain a Local Pension Board, from finding suitable representatives and the officer time required to support the Board and sub-committees.	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.	There has been no change in either Current (Inherent) or Target (Residual) risk ratings since September 2017, however the risk remains Dynamic in nature.	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Medium	3	2	6	Officers are planning to review the terms of reference for the LPB and Committee in due course, partly to make the process of recruiting to the LPB easier but also to help ensure the LPB remains effective.	3	1	3	None	Low	↓	Richard Bullen	On-going

PEN032	Failure to manage Fund budgets & controllable costs	During a period of chain management involving the introduction of new staff, new software & new working practices the cost control against the Fund's approved budget requires close management	Poor budget setting & cost control can lead to over expenditure and a loss of value in the services being offered by the Fund. As a public sector Scheme there is also a reputational risk associated with the poor management of funds.	A new risk identified. The Committee is requested to review its impact	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Medium	2	3	6	Annual Fund budgets are approved in the 1st quarter of each year. Expenditure against the budget is monitored by Senior Officers. Senior Officers work with the Council's Treasury team to ensure accurate specification of charges made to the Fund. Senior Officers maintain a contract management framework to monitor the fees of service providers. All invoices are compared against estimates before payment is made.	2	1	2		Low	New	Jennifer Devine	On-going
PEN030	Failure to procure & contract manage service providers appropriately	GDPR, the migration of Managers to BPP & a review of Fund contracts were undertaken in 2018 in conjunction with the Procurement dept. to establish the position of the Fund existing suite of contracts	A lack of a contract management framework will create an inability to manage existing service provider arrangements, limit the updating of service scopes so that the Fund's requirements remain to contracts & anticipate the incorporation of new legislation & regulations. This will lead to increased costs & risks to the Fund.	A new risk identified. The Committee is requested to review its impact	PROCUREMENT & RELATIONSHIP MANAGEMENT	BUSINESS PLAN (App 1 - 13)	Andy Cunningham	Medium	3	3	9	A contract management framework has been developed by officers to anticipate the review of Fund contracts as they fall due. Fund officers have also attended Contract Management training provided by the Council's Procurement Department.	3	1	3		Low	New	Richard Buller	On-going
PEN024	The implementation of Brexit causes investment volatility or unexpected legislative changes	EU referendum result.	The arrangements by which the UK leaves the EU may produce short term volatile market movements which could impact on asset performance.	A new risk identified. The Committee is requested to review its impact	FINANCIAL MARKETS & PRODUCTS	SERVICE FUNCTION	Jennifer Devine	Medium	3	2	6	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	1	3		Low	→	Jennifer Devine	On-going
PEN026	A lack of effectiveness of Committee meeting due to the impact of MiFID II Regulations	MiFID 2 investment regulations from Jan 2018 will classify LGPS Funds as "retail" investors. They will need to opt up to professional status	An existing risk which the Committee is requested to review its impact	INVESTMENT PERFORMANCE & RISK	SERVICE FUNCTION	Jennifer Devine	Medium	3	2	6	Wiltshire Fund is now being treated as a Professional Client, having followed due process. Maintenance of the Fund's Professional Client status will require on-going compliance with the requirements including competence	3	1	3	None.	Low	→	Jennifer Devine	On-going	
PEN022	The rectification of records with GMP issues is time-consuming, costly & cause reputational damage.	From 1 April 2016, State Second Pension ceases and HMRC no longer provides GMP data on members to Funds.	If GMP records for members are inaccurate there is the potential for incorrect liabilities being paid by the Fund.	A new risk identified. The Committee is requested to review its impact	ADMINISTRATION	BUSINESS PLAN (App 1 - 18) (App 2 - 7)	Andy Cunningham	Medium	2	4	8	Large project is still ongoing and software from Heywood's is being used to process amendments to Altair on bulk. Progress has been delayed due to the Fund trying to engage with Government to agree on a nationwide approach and in order to undertake further analysis of the problems identified.	2	4	8		Medium	→	Mark Briggs	u/k
PEN046	The transition of assets to the Brunel global high alpha equities portfolio does not go according to plan resulting in investment losses.	Wiltshire will be transferring its Baillie Gifford portfolio to Brunel in late 2019.	If assets do not transfer successfully this could result in financial loss.	A new risk identified. The Committee is requested to review its impact	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN (App 1 - 10)	Jennifer Devine	Low	4	1	4	Officers are working with the Brunel client group to ensure that Brunel properly follow procedures to ensure that no financial loss is incurred and that the transition occurs successfully.	4	1	4	None.	Low	New	Jennifer Devine	Dec-19
PEN047	There is uncertainty around the ability of Brunel to resource its property portfolio offering	It is intended that property assets will transfer to Brunel in late 2019.	If Brunel are not adequately resourced, this could result in the portfolio not being effectively managed, and/or costs being higher than expected.	A new risk identified. The Committee is requested to review its impact	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN (App 1 - 10)	Jennifer Devine	Low	4	1	4	Officers are working with the Brunel client group to ensure that Brunel are able to give adequate assurance that they are appropriately resourced before engaging with this particular transition.	4	1	4	None.	Low	New	Jennifer Devine	Dec-19
PEN028	Failure to introduce new administration software effectively	Implementation of new software including MSS, i-connect, e-payouts, payment instruction automation, a new website & semi-automated workflow allocation. All to be completed by 2022	Delay in the payment of member benefit, poorer data quality, sub-standard communication arrangements with members & employers & slower delivery times leading to a more costly service.	A new risk identified. The Committee is requested to review its impact	ADMINISTRATION	BUSINESS PLAN (App 1 - 1,2,3,4,5,14) (App 2 - 1,2,3)	Andy Cunningham	Low	2	2	4	Individual project plan have been prepared for each implementation of software, including their GDPR implications, with individual project issue logs and risk registers. A bespoke Project team has also been established within the pension's dept. who initiate formal handovers to officers on completion of the new implementation.	2	1	2	None.	Low	New	Mark Briggs	On-going
PEN035	Failure to maintain the Pension Administration Strategy as an effective strategic document	The Pension Administration Strategy has not been reviewed since 2015.	To improve the administration performance of the Fund and of its participating employers, if this does not	A new risk identified. The Committee is requested to review its impact	ADMINISTRATION	BUSINESS PLAN (App 1 - 16)	Andy Cunningham	Low	2	2	4	A draft Pension Administration Strategy is being prepared for presentation to the Committee in September. It will relate to the Fund's business plan.	2	1	2	None.	Low	New	Denise Robinson	26/09/19
PEN031	Failure to implement new CIPFA guidance on Accounting Standards	In April 2019 CIPFA released finalised guidance on the standards by which the 2018/19 Annual Report & Accounts need to be prepared.	The late communication of the guidance could cause non-compliance of the Fund's 2018/19 Annual Report & Accounts.	A new risk identified. The Committee is requested to review its impact	GOVERNANCE	BUSINESS PLAN (App 1 - 11)	Jennifer Devine	Low	2	2	4	Officers attended CIPFA training on the new guidance to ensure its implementation. The new Report & Accounts templates where adopted by Fund officers. Training on the changes has been provided to Members of the Committee & Board. Officers are working with the Fund Auditors to ensure compliance.	1	1	1	None.	Low	New	Roz Vernon	31/07/19

## Ongoing Risks

PEN048	The transition to pooling of LGPS assets with BPP fails to deliver the projected savings	The Fund needs to pool its LGPS assets with other Funds using the Brunel Pensions Partnership.	Poor implementation could be costly in terms of unanticipated costs and/or savings less than projected.	A new risk identified. The Committee is requested to review its impact	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN (App 1 - 10)	Jennifer Devine	High	4	3	12	The Fund is working with Brunel Pension Partnership on pooling arrangements. Progress and updates regularly reported to Committee. The Fund's passive portfolios have been pooled with significant fee savings, but a budget increase is also currently being proposed. The final position is still uncertain.	3	3	9	Significant amount of resource still required by officers to progress this project.	Medium	New	Jennifer Devine	On-going
PEN009	Failure to comply with Data Protection Legislation (GDPR & Data Protection Act 2018)	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, fines from the Information Commissioner, reputational risk of failure to meet Data Protection legislation.	An existing risk which the Committee is requested to review its impact. Recommended is to be classed as a ceased risk.	LEGISLATIVE	SERVICE FUNCTION Key controls audit 2018/19	Andy Cunningham	Medium	3	2	6	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. The Fund has produced a new suite of procedures and controls following the introduction of GDPR.	2	1	2		Low	→	Mark Anderson	On-going
PEN010	Failure to keep pension records up-to-date and accurate	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 issued to members and incorrect pensions potentially being paid.	A new risk identified. The Committee is requested to review its impact	GOVERNANCE	BUSINESS PLAN (App 2 - 8)	Andy Cunningham	Medium	3	2	6	Data & systems Team constantly working to improve data quality, data validation checks carried out through external partners (e.g. the Fund's actuaries and trading agencies), pro-active checks done through national fraud initiative and the Fund's Data Improvement Plan.	3	1	3	The Fund is currently addressing new data issues identified by a review of the iPR two key data standards and other data reviews while ensuring data is of high quality is an on-going responsibility.	Low	→	Mark Anderson	On-going
PEN017	A lack of knowledge and expertise on the Pension Fund Committee	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 related to any of the areas on the register, but particularly in relation to investments. There is also a risk that the Committee is advised to provide guidance on its management.	A new risk identified. The Committee is requested to review its impact	GOVERNANCE	BUSINESS PLAN (App 1 - 24)	Andy Cunningham	Medium	2	3	6	Members are given Induction Training when they join the Committee, as well as induction on governance and course/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	1	2	The resulting knowledge transfer was not fully exploited due to 12 March 2018 Committee and 24 January 2019 Local Pension Board. Overall, their level of knowledge was deemed good but there were areas of improvement identified that Officers will consider when looking at future training plans. Pensions is a complex subject, so the training needs of the Committee need to be continued.	Low	→	Richard Buller	On-going
PEN007b	Significant rises in employer contributions for non-secure employees due to poor/negative investment returns	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	A new risk identified. The Committee is requested to review its impact	FINANCIAL MARKETS & PRODUCTS	BUSINESS PLAN (App 1 - 8,9) (App 2 - 4)	Jennifer Devine	Medium	3	2	6	Use of expert consultants in the selection of investment strategy and investment managers, regular monitoring of investment managers (14x), 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 LAPFT & uses PIRC to proxy vote on shares in line with agreed policy for ESG issues. Compliance: www.wiltshirecouncil.gov.uk	2	2	4	A risk-based framework to monitor and manage employers long term financial stability. This informs the policy for stepping in contribution rates to assist in affordability issues where requested by an employer. It will be continuously reviewed, as part of the updating of the Investment Strategy Statement. Query over covenant reviews following entry of PwC contract.	Low	→	Jennifer Devine	On-going
PEN015	Failure to collect payments from ceasing employers	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	A new risk identified. The Committee is requested to review its impact	ACTUARIAL METHOD	BUSINESS PLAN (App 1 - 7,15)	Andy Cunningham	Medium	3	2	6	The Pension Fund Committee approved a revised cessation policy on 20 September 2018 to address regulatory changes made in May 2018 and certain scenarios which had arisen which the previous policy did not adequately address. Furthermore, all new admitted bodies require a guarantor to join the Fund which means that a stable Scheme Employer is required to act as the ultimate guarantor.	2	1	2	None	Low	→	Andy Cunningham	On-going
PEN041	The Fund's inability to implement a strategy to ensure Climate Change considerations are integral to its investment strategy	There is a global climate change emergency, as declared by Wiltshire Council in February 2019.	Failure to embed climate change considerations in the investment strategy could cause a negative impact on investment returns over the long term.	A new risk identified. The Committee is requested to review its impact	FINANCIAL MARKETS & PRODUCTS	SERVICE FUNCTION	Jennifer Devine	Low	2	2	4	Work is being done within the Brunel pool to address this risk. The Committee needs to use the support offered by Brunel to help define policies in this area and implement them via the Investment Strategy Statement.	2	2	4	None	Low	New	Jennifer Devine	On-going
PEN002	Failure to collect and account for contributions from employers and employees on time	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 18th of month, potential delays to employers' FRS17 year-end accounting reports and to the Fund's own year-end accounts.	An existing risk which the Committee is requested to review its impact	ACCOUNTING & AUDITING	SERVICE FUNCTION	Jennifer Devine	Low	2	2	4	Robust maintenance and update of Altair and SAP systems, sufficient staff cover arrangements, sufficient staff training and QA checking of work. Officers regularly 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	2	4	None	Low	→	Roz Vernon	On-going
PEN033	Failure to manage AVC providers	The Fund is a Data Controller with four AVC providers under management who operate different policies and procedures and make different representations rather than service provider contracts. Consequently, there is a risk due to the mismatch between Fund responsibility & control in relation to the assets under management.	Failure of an AVC provider can lead to issues of reputational risk to the Fund, as well as being exposed to adverse governance & financial implications.	A new risk identified. The Committee is requested to review its impact	ACCOUNTING & AUDITING	SERVICE FUNCTION	Jennifer Devine	Low	2	2	4	A minimum of annual service review reviews have been implemented with all AVC providers, managed by the Investment & Accounting team. The review will cover customer service & investment performance.	2	1	2	None	Low	New	Roz Vernon	On-going

PEN005	Loss of funds through fraud or misappropriation	Fraud or misappropriation of funds by an employer, agent or contractor	Financial loss to the Fund	There has been no change in either Current (Inherent) or Target (Residual) risk rating since September 2017. However the risk remains pertinent to the Committee to monitor.	ACCOUNTING & AUDITING	SERVICE FUNCTION	Jennifer Devine	Low	4	1	4	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	None	Low	→	Roz Vernon	On-going
PEN006a	Significant rises in employer contributions for secure employers due to increases in liabilities	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.	There has been no change in either Current (Inherent) or Target (Residual) risk rating since September 2017. However the risk remains pertinent to the Committee to monitor.	ACTURIAL METHOD	BUSINESS PLAN (App 1 - 6)	Andy Cunningham	Low	2	2	4	Longevity and bond yields are generally beyond the control of the Fund as are the values of the liabilities in general. However, the Fund has started the 2019 Triennial Valuation process and it is concurrently reviewing its investment strategy and implementing separate employer investment strategies. Furthermore, the Fund and each employer must have a Discretion Policy in place to help control discretionary costs (e.g. early retirements, augmented service, etc.)	2	2	4	None	Low	→	Andy Cunningham	On-going
PEN006b	Significant rises in employer contributions for non-secure employers due to increases in liabilities	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.	There has been no change in either Current (Inherent) or Target (Residual) risk rating since September 2017. However the risk remains pertinent to the Committee to monitor.	ACTURIAL METHOD	BUSINESS PLAN (App 1 - 6)	Andy Cunningham	Low	2	2	4	As above	2	2	4	As above	Low	→	Andy Cunningham	On-going
PEN007a	Significant rises in employer contributions for secure employers due to poor/negative investment returns	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	An ongoing existing risk which remains pertinent to the Committee to monitor	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN (App 1 - 8.9) (App 2 - 4)	Jennifer Devine	Low	2	1	2	Use of expert consultants in the selection of investment strategy and implementation thereof, regular monitoring of investment managers (14yrs), regular review 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 LAPFT & uses PIRC to proxy vote on shares in line with agreed policy for ESG issues. Compliance with Stewardship code.	2	1	2	The implementation of the Stabilisation Policy limits increases for secure employers.	Low	→	Jennifer Devine	On-going
PEN008	Failure to comply with LGPS and other regulations	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	There has been no change in either Current (Inherent) or Target (Residual) risk rating since September 2017. However the risk remains pertinent to the Committee to monitor	ADMINISTRATION	BUSINESS PLAN (App 1 - 20.25)	Andy Cunningham	Low	2	2	4	"Sufficient staffing, training and regulatory updates. "Competent software provider and external consultants. "Technical & operational reviews process and procedures and internal training programme for the team. "KPIs against statutory standards. "Embedding checks and controls into all processes. "Audits & internal reviews to maintain best practice	2	2	4	None	Low	→	Luke Webster/ Jennie Green	N/A
PEN011	Lack of expertise of Pension Fund Officers and Service Director, Finance	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. Recommended at Board meeting on 23rd May 2013 to be classed as a ceased risk.	An existing risk which the Committee is requested to review its impact. Recommended at Board meeting on 23rd May 2013 to be classed as a ceased risk.	GOVERNANCE	BUSINESS PLAN (App 1 - 20.25)	Andy Cunningham	Low	2	1	2	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 Governance & Risk Management Committee has formulated annual Training Plans and relevant officers are also reviewed against the CIPFA Knowledge & Skills Framework to ensure adequate expertise exists.	2	1	2	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.	Low	↑	Andy Cunningham/ Corporate Directors	On-going
PEN013	Failure to communicate properly with stakeholders	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.	There has been no change in either Current (Inherent) or Target (Residual) risk rating since September 2017. However the risk remains pertinent to the Committee to monitor	GOVERNANCE	BUSINESS PLAN (App 1 - 23)	Andy Cunningham	Low	2	2	4	The Fund has a Communications Manager and Employer Relationship Manager posts 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	1	2	None	Low	→	Denise Robinson/ Ashleigh Salter	N/A
PEN014	Failure to provide the service in accordance with sound equality principles	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.	There has been no change in either Current (Inherent) or Target (Residual) risk rating since September 2017. However the risk remains pertinent to the Committee to monitor	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Low	2	1	2	The Fund has done an Equality Risk Assessment and has an Equality Implementation Plan in place	2	1	2	None	Low	→	Luke Webster/ Jennie Green	On-going
PEN016	A lack of effectiveness in respect of the Fund's Treasury Management Services	The Fund's treasury function is now segregated with 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	There has been no change in either Current (Inherent) or Target (Residual) risk rating since September 2017. However the risk remains pertinent to the Committee to monitor	INVESTMENT PERFORMANCE & RISK	SERVICE FUNCTION	Jennifer Devine	Low	3	1	3	The Pension Fund will review an updated Treasury Management Strategy annually which follows the same criteria adopted by Wiltshire Council but limits individual investments with a single counterparty to £6m. The Fund will also review in Treasury Management Agreement with the Council in 2019.	2	1	2	The Council uses Sector's credit worthiness service to calculate for each counterparty to provide a score. Surplus cash is transferred to the Custodian at month end ensuring cash balances are minimal. A minimum of annual updates by the Council need to be presented to the ISC	Low	→	Roz Vernon	N/A
PEN025	Further academisation of Schools, the possibility of MAT breakups and cross fund movements.	Potential for further schools to convert to academy status, MATs to breakdown.	Additional governance and administration risk. If all schools were to convert then the number of employers in the Fund could jump from 180 to between 400 and 500.	There has been no change in either Current (Inherent) or Target (Residual) risk rating since September 2017. However the risk remains pertinent to the Committee to monitor	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Regular communications with schools to understand their intentions. Revised cessation policy aims to address some of the risks relating to MAT breakups.	2	2	4	The Fund is monitoring the SAB review of academies roles in the LGPS and will take actions (e.g. respond to consultations) as necessary to try to mitigate this risk further.	Low	→	Andy Cunningham	N/A

## Ceased/Dormant Risks

PEN020	The transition to pooling of LGPS assets with BPP proves ineffective causing higher costs, poorer returns and/or weak controls	The Fund needs to pool its LGPS assets with other Funds using the Brunel Pensions Partnership.	Poor implementation could be costly in terms of additional fees and poor investment returns.	Risk has now been split out into more detailed risks PEN046 - PEN048 to enable better monitoring.	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN (App 1 - 10)	Jennifer Devine	High	3	4	12	The Fund is working with Brunel Pension Partnership on pooling arrangements. Progress and updates regularly reported to Committee. The Fund's passive portfolios have been pooled with significant fee savings, but a budget increase is also currently being proposed. The final position is still uncertain.	3	3	9	Significant amount of resource still required by officers to progress this project.	Medium	→	Jennifer Devine	On-going
PEN023	Further resources of officers and Members to meet the expansion of business items	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.	An existing risk which the Committee is requested to review its impact. Recommended is to be classed as a ceased risk.	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	1	2	2	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 is still being monitored through work planning and appraisals.	1	2	2	None at present but this varies from meeting to meeting depending on the demands and other work responsibilities.	Low	→	Jim Brewster	On-going
PEN001	Failure to process pension payments and lump sums on time	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 employer if interest has to be paid to the members.	There has been no change in either Current (Inherent) or Target (Residual) risk rating since September 2017. Risk recommended for removal from Committee review, but to continue to be monitored by Officers	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	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. When work loads are high, payments to members are prioritised above other work.	2	2	4	None	Low	→	Luke Webster/ Jennie Green	N/A
PEN004	Inability to keep service going due to loss of main office, computer system or staff	Fire, bomb, flood, etc.	Temporary loss of ability to provide service	There has been no change in either Current (Inherent) or Target (Residual) risk rating since September 2017. Risk recommended for removal from Committee review, but to continue to be monitored by Officers	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Low	4	1	4	An updated Business Continuity Plan has now been drafted in line with the new Council template. The team have the ability to work from home 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 mostly paperless office.	4	1	4	None	Low	→	Andy Cunningham	N/A
PEN012	Over-reliance on key officers	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 large knowledge gap could be left behind.	An existing risk which the Committee is requested to review its impact. Recommended is to be classed as a ceased risk.	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	2	1	2	Key people in the team are seeking to transfer specialist knowledge to colleagues by documenting procedures and notes. 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	1	2	None - the risk will reduce once the existing team increases its level of knowledge and experience through greater time in their roles. A knowledge hub is being developed within the Fund and the LGA may create a practitioners bible which would work as a reference document for officers.	Low	→	Andy Cunningham	18/07/19
PEN027	Significant structural change to LGPS Funds or to our Fund	A merger, takeover from another Fund or another Fund. Significant changes to how certain employer categories participate in the Fund - for example Tier 1 employers or academies.	Depending on its nature and scale: a major impact on employer numbers, governance, control and operational matters.	Risk recommended for removal from Committee review, but to continue to be monitored by Officers	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	3	1	3	To keep abreast of any national development and respond to consultations when they occur. To take appropriate opportunities to increase the membership and the numbers of employer of the Fund. For example, where a multi academy Trust wishes to consolidate its across Fund operations within a single Fund.	3	1	3	None	Low	↑	Andy Cunningham	18/07/19
PEN003	Insufficient funds to meet liabilities as they fall due	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.	There has been no change in either Current (Inherent) or Target (Residual) risk rating since September 2017. Risk recommended for removal from Committee review, but to continue to be monitored by Officers	INVESTMENT PERFORMANCE & RISK	SERVICE FUNCTION	Jennifer Devine	Low	4	1	4	Funding Strategy Statement, Investment Strategy, Triennial Valuations, membership of Club Vita, modelling of future cash flows.	4	1	4	This is factored into the Strategic Asset Allocation review, which is now in progress. Both the Fund Investment Consultant and Fund Actuary will be closely involved in the work.	Low	↑	Jennifer Devine	N/A