

Risk Register – Appendix I

Background and Red Risks

During the last quarter no “new risks” were identified.

The evidence-based review of the register identified the following risks had changed or need to be re-categorised;

- **PEN058: Service disruption is created during the implementation of the Council's Evolve Programme on the Fund** (From Green to Amber) A potential lack of co-ordination between the Evolve & Altair payroll project management timetables could increase the risk of success of this migration. Regular communication between project managers should be established.
- **PEN052: COVID-19:** (From Red to Amber) An infectious global virus which WHO has classed as a pandemic. The impact of COVID-19 is being largely managed and there are signs that the nation is returning to normal. Recommend that this risk be moved to ongoing.
- **PEN055: Failure by Brunel Pension Partnership to properly address shareholder concerns via the governance review:** (From Red to Amber) The governance arrangements by which BPP will operate have been set out in a terms of reference and Wiltshire along with all the shareholders are satisfied with the breadth and depth of the resulting changes. Recent communications suggest progress is beginning to be made. Recommend that this risk be monitored and moved to ongoing.
- **PEN024: The implementation of Brexit causes investment volatility or unexpected legislative changes:** (From Amber to Green) Any impact which would have been caused by Brexit has now been built into investment valuations. Recommend that this risk be moved to dormant.
- **PEN012: Over-reliance on key officers:** (From Amber to Green) A full complement of staff are now appointed to roles enabling suitable cover. The majority of appointments are experienced and have served in their positions for quite some time. Recommend that this risk be moved to dormant.
- **PEN011: Lack of expertise of Pension Fund Officers and Service Director, Finance:** (From Amber to Green) Senior Officer appointments are experienced and have served in their positions for quite some time. Recommend that this risk be moved to dormant.
- **PEN009: Failure to comply with Data Protection Legislation** (GDPR & Data Protection Act 2018): (From Amber to Green) SWAP audit actions concerning GDPR were minor in nature & have now been completed.
- **PEN026: A lack of effectiveness of Committee meetings due to the impact of MiFID II Regulations:** (From Green to Amber) Recent changes to the Committee and the consequential loss of knowledge have increased the risk of the Committee's effectiveness. Recommend that this risk be moved to ongoing.

Risks remaining “red”, high risk:

- **PEN022: Rectification of records with GMP issues – Time-consuming, costly & may causes reputational damage:** (From Red) Potentially incorrect liabilities being paid by the Fund as a result of GMP and other pension component values missing, incorrectly recorded or incorrectly valued. Consequently, progress with the Pensioner Payroll Database reconciliation project may impact on the Fund’s liabilities and its reputation.
- **PEN041: The Fund's inability to implement a strategy to ensure Climate Change considerations are integral to its investment strategy:** (Red) Work on developing the Fund's policies, disclosures and strategy is ongoing. Additional resource will be required, likely to be by way of specialist consultancy support.
- **PEN042: Significant retrospective legislation changes related to the McCloud case:** (Red) Following the release of the Government's consultation document in July 2020 analysis of the Scheme’s members who may be affected was undertaken. Indications suggest that potentially c27k members may be affected, as well as increasing the work on several supplementary administrative tasks. The impact actuarially speaking is likely to be minimal. Members requested that it be kept as a red risk until the administrative impact is completely clear.
- **PEN048: The transition of the pooling of LGPS assets with BPP fails to deliver the projected savings:** (Red) Progress and updates should continue to be regularly reported to Committee. The Board recommended the introduction of a monitoring & reporting timetable & an independent audit should be conducted in 2021.