

IWCRMS - Service Area - Full Risk Register RED Risks (9 risks)

Technical Finance - Technical Finance (Pension Fund)

Financial Management - Technical Finance (Pension Fund)				
Risk: Governance arrangements (G1) (Id: 194) - Assigned To: Pension Fund Manager				
Description: Failure to have the appropriate governance arrangements in place (including Pensions Regulator requirements)		Inherent Rating: 14 - High RED		Current Rating 12 - High RED (05/07/2022)
Consequence: non-compliance with legislation or best practice and the inability to determine policy or make decisions/deliver the service impacting on reputation		Target Rating: 8 - Low GREEN		
Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Pension Fund Committee membership - recruitment of employer representative to vacant position	0	30/09/2022	Pension Fund Manager	Update 9-May-22: no progress to date. defer until after LPB recruitment resolved and year end reporting complete.
Governance Compliance Statement - update for current year activity, identify areas for improvement, develop action plan. To be completed for 2021-22 annual report, presentation at May 2022 pension fund committee meeting.	0	30/09/2022	Pension Fund Manager	update 31-May-22: GCS delayed in line with delay to external audit of pension fund. Anticipate presentation to October pension board meeting for onward recommendation to November committee.
Policies/Strategies: Update list of required documents, and timetable dates for review within pension fund business plan.	25	30/09/2022	Pension Fund Manager	Update 9-May-22: no progress on this to date. Update 31-May-22: list of documents to be presented to pension board meeting on 15 June. Proposals for overdue policy reviews to be completed by 31 March 2023. Comms policy at October board meeting (JMT), Breaches (JMT) and Admin strategy (MC) at March meeting.
SAB Good governance project - gap analysis commissioned to identify areas for improvement to ensure compliance when legislation/regulations updated.	0	30/09/2022	Pension Fund Manager	update 22-Mar-22: report has been received, but has not yet been considered. To form part of combined action plan following review of governance compliance statement. Update 31-May-22: to be considered following outcome of structure review.

Local Pension Board - external employer representative nominations sought from 30 external employers (not IWC or related schools) - none received by first due date.	100	13/05/2022	Pension Fund Manager	21 March 2022: one nomination received on 2 February. Information has been with Director of Finance for review since 17 February (chased 28 Feb, 8 March and 21 March). Update 9-May-22: meeting scheduled between director of finance, chair of LPB and candidate on 12 May 2022. Update 16-May-22: meeting held, candidate has accepted position.
Local Pension Board - IWC Employer Representative Nominations sought from CMT to fulfil this role.	100	19/01/2022	Pension Fund Manager	7 Dec 2021 - nomination received. To be recommended to full council on 19 January 2022 for appointment 21/3/22: appointment confirmed at full council on 19 January. Member has had introduction meeting with technical finance manager. First meeting of newly created board to be held on 6 April.
Local Pension Board - independent chair 4 applications received for one position. Appointment to be confirmed at 19 January 2022 full council meeting.	100	19/01/2022	Pension Fund Manager	applications have been with Director of Finance and Chair of pension fund committee for review since 15 November 2021. 21/3/22: DoF and Chair of PFC met with shortlisted candidates held on 7 Feb and 16 Feb. Preferred candidate identified and appointed on 2 March. Pension board introductory meeting to be held on 6 April.
Local Pension Board - scheme member representative (minimum requirement) expressions of interest sought from all active, deferred and pensioner members of the fund for whom email address held on administration system (10,087 emails sent). Appointment to be confirmed at 19 January 2022 full council meeting.	100	19/01/2022	Pension Fund Manager	5 expressions of interest (two roles) received. With Director of Finance and Chair of pension fund committee for review since 15 November 2021. update 21 March 2022: 19 January full council meeting delegated appointment to Director of Finance. Director of Finance and Chief Executive met with three candidates between 21 February and 6 March - two people appointed, both have accepted. First meeting on newly formed board to be held on 6 April 2022.
Local Pension Board - scheme member representative (increased membership) expressions of interest sought from all active, deferred and pensioner members of the fund for whom email address held on administration system (10,087 emails sent). Appointment to be confirmed at 19 January 2022 full council meeting if possible.	100	19/01/2022	Pension Fund Manager	5 expressions of interest (two roles) received. With Director of Finance and Chair of pension fund committee for review since 15 November 2021. update 21 March 2022: 19 January full council meeting delegated appointment to Director of Finance. Director of Finance and Chief Executive met with three candidates between 21 February and 6 March - two people appointed, both have accepted. First meeting on newly formed board to be held on 6 April 2022.

Financial Management - Technical Finance (Pension Fund)

Risk: Knowledge and understanding (G2) (Id: 195) - Assigned To: Pension Fund Manager

Description:

Lack of relevant knowledge and understanding with the Pension Committee, Pension Board and/or officers

Consequence:

non-compliance with legislation for board members. Potential for poor decision making.

Review Date: 28/10/2022

Inherent Rating:

14 - High
RED

Current Rating

14 - High
RED

(05/07/2022)

Target Rating:

5 - Low
GREEN

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
record of development activity and progress with learning toolkits will be presented at each board and committee meeting, and will be included in annual report, at member level.	25	31/03/2023	Pension Fund Manager	
pension board and committee members induction programme to be developed	0	31/12/2022	Pension Fund Manager	
pension fund committee members encouraged to complete TPR public service online toolkit modules, with update on progress requested and reported at each pension fund committee meeting.	25	31/12/2022	Pension Fund Manager	16 February 2022 meeting - only one member had completed toolkit 25 May 2022 meeting - three members (from 7) have provided evidence of completion of all modules.
Pension board members encouraged to complete all TPR public service online toolkit modules within 6 months of appointment.	25	30/09/2022	Pension Fund Manager	to be reviewed at 6 April board meeting with action plan agreed. update 4-Jul-22: 2 (from 7) board members have provided evidence that they have completed all modules.
Hymans Robertson LGPS Online Learning Academy users to be updated to include all board members. Board member to be encouraged to complete all modules within 6 months of access being granted. to be reported and reviewed at each board meeting.	0	30/09/2022	Pension Fund Manager	update 4-Jul-22: at 1 July, one member has completed three modules, and one other has started two modules. reminder will be issued to all members.

Financial Management - Technical Finance (Pension Fund)

Risk: Key person risk (G3) (Id: 196) - Assigned To: Pension Fund Manager

Description:

reliance on key people, lack of supporting resource, single points of failure

Consequence:

lack of succession planning. Severe disruption if key staff are absent for any period of time.

Review Date: 30/09/2022

Inherent Rating:

**15 - Very High
RED**

Current Rating

**15 - Very High
RED**

(05/07/2022)

Target Rating:

**5 - Low
GREEN**

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
succession planning, sharing of knowledge, documentation of procedures/processes both in finance and administration teams.	0	28/10/2022	Pension Fund Manager	update 4-Jul-22: no progress on this to date - will become clearer following output from structure review
commission external review of pension fund structure to ensure most effective and appropriate structure is in place - linking into Good Governance Project.	25	31/08/2022	Pension Fund Manager	update 9-May-22: further competition launched via procurement portal to National LGPS Framework providers on 3 May. Deadline for submission of responses 24 May 2022; evaluation to be complete by 7 June, with award shortly thereafter and work to commence as soon as possible after award. update 30-May-22: 4 tender submission received by deadline - evaluation in progress. update 01-Jul-22: unable to identify preferred provider, so procurement process suspended 10 June 2022. Reworking of further competition documentation to be deferred until after award of custodian contract, so early August 2022,
Financial Management staffing restructure changes Technical Finance Manager role to Pension Fund Manager, with 100% focus on Pension Fund. New cost centre to be created to separate Pension Fund Finance costs from mainstream Accountancy team.	100	01/04/2022	Pension Fund Manager	update 9-May-22: structure now implemented, cost centre created and budget transferred. costs to be monitored via Finance Mini Service Board monthly.

Financial Management - Technical Finance (Pension Fund)				
Risk: changes to national pension arrangements (A4) (Id: 210) - Assigned To: Pension Fund Manager				
Description: Fund is not aware of, or fails to adequately respond to, changes arising from central government and/or HMRC - e.g. changes from public sector report (McCloud)		Inherent Rating: 14 - High RED		Current Rating 14 - High RED (05/07/2022)
Consequence: incorrect benefits paid, inappropriate information provided to stakeholders, increased complaints, non-compliance with legislation, regulations and/or codes of practice		Target Rating: 9 - Medium AMBER		
Mitigations / Actions	% Complete	Due Date	Assigned To	Update
The Administering Authority considers all consultation papers issued by the Government and comments where appropriate. rolling annual mitigation.	25	31/03/2023	Pension Fund Manager	
participation in networking events, webinars, subscriptions to professional organisations, liaison with advisers to ensure kept up to date with latest developments. rolling annual mitigation.	25	31/03/2023	Pension Fund Manager	
business plan for pension fund includes these changes as they become apparent, with resource allocated as required. annual rolling mitigation.	0	31/03/2023	Pension Fund Manager	

Financial Management - Technical Finance (Pension Fund)				
Risk: Cyber risk (A12) (Id: 219) - Assigned To: Pension Fund Manager				
Description: System failure, breach of data security, lack of disaster recovery/Cyber attack plan Consequence: inability to process pension payments and other administrative tasks Review Date: 27/07/2022		Inherent Rating: 13 - High RED		Current Rating 13 - High RED (05/07/2022)
				Target Rating: 10 - Medium AMBER
Mitigations / Actions	% Complete	Due Date	Assigned To	Update
compliance with Council data security protocols and building access controls maintained.	25	31/03/2023	Pension Fund Manager	
Ensure appropriate training and awareness sessions provided to administration staff, other officers and members of the Pension Committee and Pension Board. monitored as part of annual PDR process and reported in pension fund annual report.	25	31/03/2023	Pension Fund Manager	
Pension Fund specific disaster recovery plan in place to ensure back-up systems are in place within an agreed timescale. Regularly reviewed and updated.	0	30/09/2022	Pension Fund Manager	

Financial Management - Technical Finance (Pension Fund)				
Risk: Sufficient resources (A13) (Id: 220) - Assigned To: Pension Fund Manager				
Description: Insufficient resources (staffing, financial) to deliver responsibilities - LGPS Consequence: inability to pay benefits, unable to engage with stakeholders, inappropriate decisions Review Date: 27/07/2022		Inherent Rating: 15 - Very High RED	Current Rating 12 - High RED (05/07/2022)	Target Rating: 9 - Medium AMBER
Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Ensure appropriate strategic planning is in place, identifying resource and budgetary needs and putting them in place as required	0	31/03/2023	Pension Fund Manager	
succession planning for administration team	0	30/09/2022	Pensions Manager (admin)	update 16-May-22: will be factored into output of operational structure review.
commission external review of pension fund structure to ensure most effective and appropriate structure is in place - linking into Good Governance Project.	25	31/08/2022	Pension Fund Manager	update 9-May-22: further competition launched via procurement portal to National LGPS Framework providers on 3 May. Deadline for submission of responses 24 May 2022; evaluation to be complete by 7 June, with award shortly thereafter and work to commence as soon as possible after award. update 30-May-22: 4 tender submission received by deadline - evaluation in progress. update 01-Jul-22: unable to identify preferred provider, so procurement process suspended 10 June 2022. Reworking of further competition documentation to be deferred until after award of custodian contract, so early August 2022,

Financial Management - Technical Finance (Pension Fund)				
Risk: Climate change - funding implications (F4) (Id: 235) - Assigned To: Pension Fund Manager				
Description: Effect of possible underperformance as a result of ESG factors, including climate change Consequence: loss of returns through obsolete investments; reputational issues; Review Date: 28/10/2022		Inherent Rating: 12 - High RED	Current Rating 12 - High RED (05/07/2022)	Target Rating: 9 - Medium AMBER
Mitigations / Actions	% Complete	Due Date	Assigned To	Update
triennial valuation 2022 will model specific climate scenarios in determining likelihood of achieving funding targets, and setting contribution rates.	25	31/12/2022	Pension Fund Manager	update 4-Jul-22: assumptions for climate modelling agreed
Financial Management - Technical Finance (Pension Fund)				
Risk: Responsible investment (I12) (Id: 1265) - Assigned To: Pension Fund Manager				
Description: The fund fails to consider Environmental, Social and Governance risk factors when considering its investment strategy and reporting Consequence: loss of returns through obsolete investments and/or stranded assets; reputational issues; non-compliance with legislation/regulations/reporting requirements. Review Date: 30/09/2022		Inherent Rating: 12 - High RED	Current Rating 12 - High RED (05/07/2022)	Target Rating: 9 - Medium AMBER
Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Fund has published responsible investment beliefs, set in 2019. To be reviewed to ensure still relevant and expanded where appropriate	0	31/03/2023	Pension Fund Manager	
Membership of LAPFF to improve engagement with investee companies. Reporting of engagement to be improved.	50	31/03/2023	Pension Fund Manager	

fund commissioned ESG analysis and carbon footprint report in June 2021, which has informed some manager challenge, and will form baseline for future climate change actions.	0	31/03/2023	Pension Fund Manager	Update 9-May-22: consideration to be given to commissioning updated report for 2022-23. cost identified as £13k.
ESG/RI workgroup established to review fund's current beliefs and statements to ensure fit for purpose.	25	31/12/2022	Pension Fund Manager	2 meetings held to date update 9-May-22: no meetings held since November 2022, due to officer capacity
DLUHC consultation in Summer 2022 will include requirements for climate change risk and reporting - fund to be engaged in and respond to consultation	0	30/12/2022	Pension Fund Manager	update 13-May-22: consultation now not likely to be issued until autumn - 12 week consultation period could mean very short implementation timetable for compliance with reporting/recording requirements for 2023-24 accounts (need to have processed in place BY 1 APRIL 2023)
ACCESS pool developing ESG/RI guidelines which should encompass all current statements from all 11 funds. Continued involvement in the development of those guidelines at officer and elected member level	50	30/09/2022	Pension Fund Manager	update 9-May-22: ACCESS ESG/RI guidelines were presented to elected member workshop on 27 April, with very few amendments proposed. Should be presented to 6 June 2022 JC meeting for onward recommendation. update 01-Jul-22: ACCESS JC meeting approved guidelines in principle. Next step, to build inot local review of current statements.

Financial Management - Technical Finance (Pension Fund)

Risk: DLUHC consultation Summer/Autumn 2022 (G11) (Id: 1268) - **Assigned To:**

Description:

Fund fails to respond to consultation when issued, and/or fails to respond to requirements

Consequence:

unaware/unprepared for new requirements, non-compliant with new regulations when issued, reputational issues nationally and locally.

Review Date: 29/07/2022

Inherent Rating:

**12 - High
RED**

Current Rating

**12 - High
RED**

(05/07/2022)

Target Rating:

**2 - Low
GREEN**

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
DLUHC consultation in Summer 2022 will include requirements for climate change risk and reporting - fund to be engaged in and respond to consultation	0	30/12/2022	Pension Fund Manager	update 13-May-22: consultation now not likely to be issued until autumn - 12 week consultation period could mean very short implementation timetable for compliance with reporting/recording requirements for 2023-24 accounts (need to have processed in place BY 1 APRIL 2023)
broad overview of topics likely to be covered in consultation to be reported to committee and board, and factored into work programmes: Climate risk/reporting; Pooling; Levelling-Up; Other matters.	0	30/09/2022	Pension Fund Manager	update 01-Jul-22: consultation will not be issue until Autumn - no further indication of timing and/or content.
keep up to date with progress on launch of consultation - at 13 May date of issue is not known "summer" more likely to be "autumn"	25	29/07/2022	Pension Fund Manager	Update 31-May-22: committee agreed at their 25 May meeting to hold an extra meeting should the consultation be issued without time for consideration at scheduled meetings.