

Bath & North East Somerset Council										FUND RISK REGISTER - OCTOBER 2016 - QUARTER 2 - 2016/17										(APPENDIX 8)									
HIGH LEVEL DASHBOARD																													
Nr	TOP PENSION FUND RISKS - SUMMARY	RISK OWNER	Likelihood					Impact					CURRENT OVERALL STATUS	PERIODS AGO			COMMENTARY ON CURRENT STATUS	KEY UPDATES OR CHANGES TO ACTIONS DURING PERIOD											
			1	2	3	4	5	1	2	3	4	5		1	2	3													
1	Project Brunel (Pooling) - Failure to deliver on the government's intended plans to pool Pension Fund Investments from different schemes and deliver potential additional efficiencies	Pensions Investments Manager																HIGH	H	H		Established shadow governance structure to ensure the project is effectively managed. There is a shadow Oversight Board comprising of chairs of committees; the shadow Operations Group comprises investment Managers/Heads of pensions. S151 officers are working collectively on the project.	Expert advice has been commissioned to advise on the legal structure required, FCA authorisation and related issues. Advice will be commissioned as required. A project manager has been appointed to co-ordinate and control the workplan. SOB representatives to engage with local committees to get buy in. Workstreams within workplan enable work to be shared across funds in line with resource capacity. APF has backfilled the Investment team to provide cover for Investments Manager.						
2	Academies - Failure of the Pension Fund to be in a position to respond appropriately to the potential large increase in new employers from the government's Academies agenda	Pensions Admin Manager																HIGH	H			Additional governance and administration risk if all schools convert to academies. Employer base would like increase from circa 250 to +500. Regular communication with UA's to determine volumetrics and timeframe. APF attend periodic education/school forums.	Review of Admin structure undertaken with creation of dedicated Employer Services section. Expected effective from January 2017.						
3	Employers - Failure of the Pension Fund to ensure employers deal with their obligations to the fund, i.e. paying correct contributions, their skills and competencies and overall solvency	Pensions Admin Manager																MEDIUM	M	M	M	Pensions Admin Strategy revised in 2015 to ensure the Governance and administration requirements of TPR are properly addressed as they fall to the Fund and Employers. Key objectives/strategies set (Communications, Training, ICT & Performance Framework) Agreed SLA's in place. TPR Compliance review undertaken - April 2016	Task workflow and reporting project due completion in November 2016. MSS 2 development in progress.						
4	Investment - Failure of the Pension Fund to ensure that investments achieve expected returns - resulting in potential contribution increases	Pensions Investments Manager																MEDIUM	M	M	M	The Fund periodically undertakes an asset liability study which determines the appropriate risk adjusted return investment strategy required to meet the liabilities. The investment strategy is reviewed annually by the committee to ensure it remains appropriate. Strategic issues or tactical opportunities are considered at quarterly meetings of Panel and/or Committee.							
5	Liabilities - Failure of the Pension Fund to ensure that the GMP reconciliation exercise does not lead to liabilities between the Pension Fund and HMRC	Tech & Compliance Manager																MEDIUM	M	M	M	Time frame for exercise (Oct 2014 to December 2018) Project has been set up and 1.5 FTE temp. resource identified/appointed. Initial work on data matching (LGPS/HMRC) undertaken.	Review scope of project. Need to agree policies for tolerances with Committee						
6	Staff - Failure of the Pension Fund to ensure it has adequate resources and staff with the requisite skills and competencies to administer the Fund	All Managers																MEDIUM	M	M	M	Officers are trained and updated in key areas. Attendance at relevant national courses and internal training with peers. Succession planning to build resilience and minimise risk of losing skilled/specialist staff. Introduction of Apprentice programme from April 2017.	Introduction of skills & knowledge training plan following Admin restructure (Jan 2017)						
7	Brexit - May have both negative implications for the investment strategy and expected returns/risk levels. Short term impact is mainly via depreciation of sterling. Medium/longer term impacts may be from inflation and interest rates as well as regulatory changes.	Pensions Investments Manager																LOW				New Risk (August 16) The impact will be assessed at quarterly Panel and Committee meetings when strategy is monitored.	Strategic investment review in 2017 will reset investment expectations and evaluate investment opportunities having assessed the impact of Brexit on investment markets and liabilities.						
8	Fraud - Failure of the Pension Fund to ensure all aspects of its governance and internal control framework can prevent or mitigate losses through Fraud and poor control	Pensions Admin Manager																MEDIUM	M	M	M	APF has introduced TPR control framework and data improvement plan. Data is reported quarterly to both Pensions Committee and LPB. National TPR compliance review undertaken in April 2016 with RAG indicator.	Governance Audit planned for November 2016.						
9	Data Protection - Failure to secure and manage personal data held by the Pension Fund in an appropriate manner and in line with statutory responsibilities	Pensions Admin Manager																LOW	L	L	L	All staff undertake to share personal data with 3rd parties through controlled framework in compliance with B&NES DP policies. Awareness of potential risk in not doing so.	Further staff training to be implemented following recent DP breach (non-material significant).						
10	System Failure - Failure of the Pension Fund to ensure that it has adequate and robust systems to ensure Pensions are administered and paid in accordance with its obligations and statute	Finance Systems Manager																LOW	L	L	L	Policies in place: (i) SLA with B&NES IT for corporate systems (ii) SLA with Heywood for pensions system (iii) APF DR policy (iv) B&NES BCP (v) Daily system backup.	Exploring possibility of hosted service with software provider						