

Risk Themes

Ref	Risk Theme	Action / Update	Oct-22	Jan-23
RT4	The Fund Investment Strategy is not appropriate to meet the Funds liabilities and cash flow requirements.	<p>Asset Liability Modelling carried out as part of the valuation process.</p> <p>Investments made into income generating assets.</p> <p>Size and pattern of contributions to feed into cashflow monitor and projections.</p>	Amber	Green
RT5	Insufficient resources to comply with the Administering Authority's Regulatory responsibilities and ability to deliver the business plan.	<p>Reviewing practices and processes to maximise efficiency.</p> <p>Number of high intensity projects currently on going that need to be balanced with BAU and reduced resources.</p> <p>Work underway to consider all work deliverable and put in place additional support if appropriate.</p>	Amber	Amber
RT6	Poor quality data resulting in error and misstatement.	<p>Positive feedback from Hymans on substantial improvements in data.</p> <p>Preserved refund project being scoped by administration team.</p> <p>Data improvement to be actively reviewed with feedback from Fund Actuary following valuation.</p>	Green	Green
RT7	Officer, Committee and Board knowledge and understanding resulting in poor decision making, disengagement on key issues and loss of professional investor status.	<p>Training provision reviewed and amended to reflect membership of Committee, Board and needs of officers.</p> <p>External training purchased.</p>	Amber	Amber
RT9	Failure to secure value for money through managing contracts with third parties	Appropriate review and market tests in place for contracts managed by WSPF.	Green	Green
RT11	Conflict of interest for members and employers	<p>Specific Pension Fund Conflict of Interest Policy will be required following implementation of SAB Good Governance project.</p> <p>Consultation on guidance expected soon.</p>	Green	Green

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RT12	Increase in variety and number of employers participating in the Scheme resulting in risk of non-compliance with obligations.	Government decision to withdraw the white paper reduces pressure on Fund regarding academies. Known changes to employers and payroll providers being monitored by officers.	Red	Amber
RT13	There is a risk of a successful cyber-attack directly from external threats; or indirectly because of members or staff falling prey to social engineering or phishing attacks. The potential outcome may lead to service disruption, financial or data loss.	Officers are taking appropriate advice in considering how risk can be managed/mitigated. Liaising with internal IT team and external providers to understand procedures in the event of cyber-attack.	Red	Red
RT14	Fund not able to implement changes required as a result of McCloud judgement due to insufficient resources, incomplete information held by employers and continued delay from Government on remedy.	Awaiting Government consultation on remedy. Expected soon. Some teachers are now retrospectively eligible due to which increases the complexity and resource. Team proactively working with software providers and employers to upload data available in readiness for Government regulations.	Amber	Amber
RT15	Ability of asset pool to allow participating authorities to execute their locally decided investment strategies.	All liquid assets are now invested via the ACCESS ACS. Consultation on pooling expected soon.	Amber	Amber
RT16	Political environment (locally or nationally) impacts on funding and/or investment strategy	Full impact of Public Service Pensions and Judicial Offices Bill and Levelling Up white paper is difficult to quantify until further information/guidance is received from Government and Scheme Advisory Board. Awaiting changes to regs on Exit Cap, McCloud etc. Expecting consultation in soon.	Amber	Amber

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RT17	Reliance on one contract for majority of investment management.	The situation in relation to the ongoing FCA investigation into Link Fund Solutions and the potential sale are being monitored and officers are engaging with professional advisers to understand and quantify the impact. At this stage the impact is unknown.	Amber	Red