



CARDIFF & VALE OF GLAMORGAN PENSION FUND

LOCAL PENSION BOARD MEETING:

29 APRIL 2022

RISK REGISTER APRIL 2022

REPORT OF THE CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 6

Reason for this Report

1. To review the current Risk Register for the Pension Fund before it is submitted to the Pension Committee.

Background

2. A Risk Register for the Pension Fund is maintained as part of the Council's Corporate Risk Management process. A review of the Register is a regular item for consideration at Board meetings before it is considered by the Pension Committee.

Issues

3. The Risk Register was previously presented to the meeting of the Local Pension Board and the Pension Committee held on 18 January 2022. In advance of this meeting Pension Fund Officers have reviewed the Risk Register and significant changes are referenced in the paragraphs that follow in this report. The current Risk Register is attached as Appendix 1 and the standard Risk Matrix is attached as Appendix 2.
4. Typically the quarter review of the Risk Register had focused on the incremental changes from the previous quarters risk register but in addition the Local Pension Board has requested that a detailed, "line by line" review of the Risk Register is undertaken on an bi-annual basis.

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5. For this review the Board asked for in-depth reviews of the Cyber Security Risk (P17) and Resource Implications (P20). Cyber Security is the focus of a separate presentation for today's agenda and the Board may need to consider amendments to this risk following that presentation. The Resource Implications for the Pension Section will be considered in the Administration Update paper as well as the Business Plan for the Fund. Again the Board will need to consider whether any amendments are required for the Resource Implications Risk in light of information presented in the Administration Update and Business Plan reports.
6. With regard to the more usual Business as Usual incremental changes the following changes are included in the attached Risk Register
 - P1 : The target date has been amended to 31/03/23 as this is the deadline for the completion of the 31 March 2022 tri-annual valuation.
 - P2 : Proposed Improvement Actions has been updated to reflect the fact that all the Fund's listed active assets are now invested in WPP sub-funds and monitoring and review of these funds is now part of the Investment Panel report cycle..
 - P3 : Proposed Improvement Actions has been updated to reflect a similar comment with investment in the WPP sub-funds bring the benefits of diversification. It also acknowledges the role of the WPP JGC & OWG quarterly meetings in performance monitoring.
 - P4 : WPP diversification benefits are again emphasised for this risk in the Proposed Improvement Actions.
 - P5 : Training focus for new members of the Pension Committee and return of officers to in-person Conferences highlighted in the Proposed improvement Actions.
 - P9 : Completion of MSS roll-out to Active Members included in Proposed Improvement Actions.
 - P10 : Approval of revised FSS to incorporate new Employer Flexibilities included in Proposed Improvement Actions.
 - P19 : Proposed Improvement Action includes reference to a provision for external advice which could include support for implementing McCloud.
 - P20 : Proposed improvement Actions provides an update on the recent recruitment process.
 - P21 : Proposed Improvement Actions include update on recent developments with progress in introducing a WPP Sustainable Equity Fund highlighted.
7. The next meeting of the Pension Board is the joint meeting with the Pension Committee scheduled for 11th July. At that meeting a report bringing together recent developments for the Fund in Responsible Investment (RI) and Climate Change initiatives is proposed. It is therefore suggested that Risk P21 is the subject of the risk register "deep-dive" for that meeting. The Pension Board is asked to consider whether it would also like any further risks to be considered at that meeting or whether the breath of RI / climate Change is sufficient for that meeting's consideration of the Risk Register ?

Recommendation

8. That the Board reviews the Risk Register and considers the risks it would like to be covered in depth at the next meeting.

CHRISTOPHER LEE
CORPORATE DIRECTOR RESOURCES

Appendices

Appendix 1 Risk Register April 2022

Appendix 2 Risk Matrix