

REPORT TO:	Pension Board 23 March 2023
SUBJECT:	Review of Risk Register
LEAD OFFICER:	Matthew Hallett, Acting Head of Pensions and Treasury

1. RECOMMENDATION

- 1.1 The Board are asked to note the contents of the Pension Fund Risk Register and comment as appropriate.

2. EXECUTIVE SUMMARY

- 2.1 It is recommended best practice for the Pension Board to maintain a risk register covering the most significant risks faced by the Fund. This report presents the current register (Appendix A) for the Board's consideration.

3. DETAIL

- 3.1 Best practice recommends that a risk register is maintained by the Pension Board recording relevant risk scenarios, together with an assessment of their likelihood and impact and appropriate mitigations. This report discusses the most significant risks relating to governance, funding, assets and liabilities and operational matters. Appendix A details these risks.
- 3.2 The Board is invited to comment on whether it considers this list sufficiently exhaustive and whether the assessment of each risk matches its perception on the adequacy of existing and future controls.
- 3.3 In accordance with the Risk Management Policy, the Risk Register is reviewed periodically and reported to the Board on a quarterly basis.
- 3.4 Risks are rated on a scale of 1 to 5 on the likelihood of the risk occurring and its impact if it does. This allows a range of potential scores of between 1 and 25. The register shows that there are 19 risks on the main register with 15 being significant risks for the Fund (i.e. scored 10 or higher). With all of the planned future controls in place, the significant risks could be reduced to 4.

The risk register is attached as Appendix A.

- 3.5 Since the Board last reviewed the Register:

Two new risks have been added to the register as follows:

Risk 22 – Conflicts of Interest. This could lead to a lack of clarity around when it is necessary for Committee and Board members to declare / disclose interests that could impact on decisions they are taking. When acting in their capacity as Committee members their priority should be the interests of the Fund. Without appropriate scrutiny and transparency, the interests of the Fund could be compromised.

Risk 23 - Climate Change. Pension Funds invest over the long-term so are particularly susceptible to the impacts associated with climate change.

No risks have been deleted or amended.

- 3.6 The Board is asked to note the contents of the Pension Fund Risk Register and to comment as appropriate.

4. CONSULTATION

- 4.1 Officers have previously consulted with both the Pension Committee and Local Pension Board on the template for the Risk Register which forms the basis of Appendix A.

5. DATA PROTECTION IMPLICATIONS

- 5.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

NO

Approved by: Matthew Hallett on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

CONTACT OFFICER:

Matthew Hallett, Acting Head of Pensions and Treasury

BACKGROUND DOCUMENTS:

None

APPENDIX:

Appendix A: Risk Register