

Review of the Pension Fund Risk Register

Report of the Strategic Finance Director

The attached Risk Register reflects the risks relating to the Pension Fund and indicates the significance of each risk.

As per previous reports the significance of individual risks is measured by a scoring system which multiplies the likelihood of the occurrence with the potential impact of such an occurrence. Both “likelihood” and “impact” are scored 1 – 5 and after multiplying both numbers together, the higher the product, the higher the risk.

Risk Score Range	Risk Category
1 to 6	Low
7 to 12	Medium
13 to 25	High

The attached Risk Register shows each risk, scored before and after controls are in place (i.e. the inherent and residual risks).

The risks are referenced as follows:

Financial Risks (F)
Funding / Demography Risks (F/D)
Administration / Regulatory Risks (A/R)
Governance Risks (G)

Since the risk register was last considered by the Pension Committee in February 2019, the following changes, which are all highlighted in yellow in the updated risk register, have been made:

Risks F1 and F5 – Narrative updated to reflect the fact that the residual risk likelihood score has been reduced back to a 2 in the context of the full Q1 2019 performance.

Risk F2 – Narrative updated to confirm that the Investment Strategy Statement and Strategic Asset allocation will be amended following a review to be undertaken later in 2019/20 once the results of the 2019 valuation are available.

Risk F8 – narrative has been updated to reflect the fact that both of the employers who have left the fund have now paid their cessation debts in full.

Risk F/D6 – Narrative updated to reflect the possibility of introducing an ill health liability insurance process under which all employers are included within a blanket cover policy unless they formally opt out.

Risk A/R 1.2 – narrative amended to reflect the intention to increase the number of Senior Pension Officers, as set out in the Business Plan report elsewhere on the agenda.

Recommendation

That the Committee notes the risk register.

Contact Officer

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