

**Review of the
Pension Fund Risk Register**

Report of the Director of Finance

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 May 2019, a number of changes have been made, which are all highlighted in yellow, with the new narrative being shown in red, in the attached updated risk register.

The majority of the changes relate to amended period comments which are shown in red text. These update the risk register to reflect the current position without changing the overall residual risk score.

However the residual risk scores of the following risk has been amended:

Risk F/D3 - A company admitted to the Fund as an admission body may become financially unviable.

The likelihood has reduced from a 3 to a 2 because two high risk employers without guarantors left the fund between March 2018 and January 2019. Both have now repaid their cessation deficits of around £6m and £6.2m respectively.

Recommendation

That the Committee notes the risk register.

Contact Officer

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