

Agenda Item 5

**Pension Board
28 July 2021**

Review of the Pension Fund Risk Register

Report of the Head of Pensions

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 March 2021, there has been no substantial movement in the overall risk levels faced by the Fund.

I highlighting a number of the risks below for Committee to acknowledge and comment as appropriate at their meeting on 18 June, and those that remain at levels previously increased by Committee that have yet to reduce back to previous levels.

Highlighted Risks

- F1, F2 & F4
 - These risks had previously been increased due to the potential impact of the Covid pandemic and the Equity review. They were reduced back to original levels last quarter and will continue to be monitored by Committee through ongoing reporting.

- F6
 - The risk remains at an elevated level at this time. This risk will be reviewed once the inflation and interest rate risk exposure of the Fund has been reviewed, as part of the ongoing work plan.

Agenda Item 5

- A/R 1.1, A/R 1.2 & G5
 - These remain at a medium residual risk as the recruitment plan for the agreed team resources is still ongoing. Risk G5 will be reviewed after the training needs analysis has been undertaken.

In addition to the above updated narrative being shown in red on risks F8, F9, A/R4 & G7, on the attached updated risk register.

All of the remaining risk ratings within the risk register have been reviewed. It is anticipated that risk G8 and F9 will be removed from the risk register in the near future as the transition to Brunel has been completed.

Recommendation

That the Board notes the risk register and the changes agreed by Committee.

Contact Officer

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