



Surrey Local Pension Board 26 October 2017

Surrey Firefighter's Pension Draft Risk Register

Recommendations:

The Board is asked to **note** the content of this report and **approve** the draft Surrey Firefighter's Pension Scheme (FFPS) Risk Register (shown as Annex 1). The Board is further asked to make recommendations of any amendments to the Surrey FFPS Risk Register.

Background

1. Good governance ensures that there is an appropriate Risk Register in place. It is also a requirement of the Pensions Regulator's code of practice on the governance and administration of public service pension schemes to have in place a Risk Register which is regularly reviewed.
2. In a meeting of 9 February 2017 the Surrey FFPS Local Pension Board (the Board) approved a forward plan for governance and administration of the Surrey FFPS. Among the highest priorities identified was the production of a risk register for the Surrey FFPS.
3. The draft Surrey FFPS Risk Register consists of relevant risks to the Surrey FFPS. It contains the range of risks to be considered by the Board for comment on whether the risks seem appropriate and that the Inherent and Residual risks are set at the correct level.
4. The Surrey FFPS Risk Register seeks to reflect adopt best practice in the identification, evaluation and control of risks in order to ensure that the risks are recognised, and then either eliminated or reduced to a manageable level. If neither of these options is possible, then means to mitigate the implications of the risks should be established.
5. Each of the risk areas in the register has been assessed in terms of its impact on the Surrey FFPS. Assessment has also been given as to the likelihood of the risk.

6. Each of the three areas of impact identified above is assessed on a scale of one to four, with four implying the highest level of impact. The likelihood of the risk description (between one and five) is then applied to the combined impact score, which produces an overall risk score. Depending on the score, the risks are then identified as Red, Amber or Green.
7. To comply with best practice, a scoring process has been implemented, which will reassess the risk scores after the mitigating action taken to control and reduce the risks. The risk register includes a revised impact score and net risk score as a result of those mitigating actions.

Next steps

1. On approval from the Board the Surrey FFPS Risk Register will be reviewed and reported to the next Board meeting.

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Sources/background papers:

tPR Code of Practice no 14 (Governance and administration of public service pension schemes)

Annexes:

1. Draft Surrey FFPS Risk Register