



Surrey Local Pension Board 13 February 2020

Risk Registers 2019/20 Quarter 3

Recommendations:

The Board is asked to **note** the content of this report and the Fund Risk Register (shown as Annex 1) and Administration Risk Register (shown as Annex 2) and **make recommendations** to the Pension Fund Committee (Committee) if required.

Background

1. A quarterly assessment of the Pension Fund and Pensions Administration risk registers will give the Board the opportunity to influence and drive the risk management process during 2019/20.
2. In a meeting of 9 February 2018 the Committee determined that future risk registers be initially reviewed by the Board and contained within the quarterly Board Report to the Committee.

The Risk Management Process

3. The risk management policy of the Surrey Pension Fund is to 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.
4. Each of the risk areas in each register has been assessed in terms of its impact on the Fund as a whole, on the fund employers, and on the reputation of the Pension Fund Committee and Surrey County Council as the administering authority. Assessment has also been given as to the likelihood of the risk.
5. 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.

6. 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.
7. Within the residual red risks, cost ranges are provided on the implications where possible.
8. In a meeting of 9 February 2018 the Pension Fund Committee requested that the Board add to their forward plan consideration of how the risks are measured and whether the weighting is appropriate.

Changes to existing risks

9. The Fund and Administration risk ratings have been updated to reflect members' comments from previous board meeting.

Additional risks

10. The Local Pensions Board should recommend to the Pension Fund Committee, the addition of the following risk:
 - Management control of backlog be included as risk A23, with total risk of 27 (Amber) and net risk of 18 (Amber) in Annex 2.

Next steps

11. The Board is asked to **note** the content of this report, the Fund Risk Register (shown as Annex 1, the Administration Risk Register (shown as Annex 2) and **make recommendations** to the Committee if required as part of the quarterly Board Report to the Committee.

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Sources/background papers:

Annexes:

1. 2019/20 Quarter 3 Fund Risk Register
2. 2019/20 Quarter 3 Administration Risk Register