



SURREY LOCAL PENSION BOARD REPORT

SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD

DATE: 26 JULY 2024

**LEAD OFFICER: ANNA D'ALESSANDRO, INTERIM EXECUTIVE DIRECTOR,
FINANCE AND CORPORATE SERVICES**

SUBJECT: RISK REGISTER UPDATE 2024/25 QUARTER 1

SUMMARY OF ISSUE:

This report considers the changes made to the Risk Register for the Surrey Pension Team during Quarter 1 of 2024/25.

RECOMMENDATIONS:

The Board is recommended to:

1. Note the contents of this report, the Risk Register in Annexe 1 and MySurrey update in Annexe 2.
2. Make any recommendations to the Pension Fund Committee if required.

REASON FOR RECOMMENDATIONS:

The Public Sector Pensions Act 2013 requires Local Pension Boards to assist the Scheme Manager in securing compliance with the Local Government Pension Scheme (LGPS) Regulations and requirements imposed by the Pensions Regulator. This report provides the Board with insight into the activities of the Surrey pension function and furthers the successful collaboration of the Committee and Board in managing risk and compliance and promoting effective governance.

DETAILS:

Background

1. A quarterly assessment of the Pension Risk Register gives the Board the opportunity to influence and drive the risk management process.
2. The risk management policy of the Surrey Pension Team 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 the means to mitigate the implications of the risks are established.

- Risks have been assessed in terms of their 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 made of the likelihood of the risk.

Changes to risk scores in this quarter

- Following review, the risk score has been reduced for Risk ID 11 whilst not reducing or diluting the focus of the team on making progress.

Risk	Work volume mismatch with operational capacity leading to backlogs
Risk ID	11
Score	9 > 6
Comment	Backlogs are receiving attention and are being addressed. Recent Industrial Action ballot was not successful.
Residual risk	While resolution of legacy issues is in progress, the risk score has been reduced.

- The Investment & Strategy risks have not changed (Risk IDs 4 to 7). Target dates for Risk IDs 10B and 12B have been set. Risks in Accounting & Governance and Service Delivery have been reviewed and Annexe 2 provides an update on the issues with MySurrey. A full review of the whole Risk Register will be undertaken by the PSLT, and the updated position will be presented to the Board in November 2024.
- Ongoing issues previously reported relating to the Unit4/MySurrey financial system implemented in June 2023 remain an area of significant focus and therefore the risk score is unchanged at this time.

CONSULTATION:

- The Chair of the Local Pension Board has been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

- Any relevant risk related implications have been considered and are contained within the report.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:

- Any relevant financial and value for money implications have been considered and are contained within the report.

INTERIM EXECUTIVE DIRECTOR OF FINANCE & CORPORATE COMMENTARY:

- The Interim Executive Director of Finance and Corporate Services is satisfied that all material, financial and business issues, and possibility of risks have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER:

11. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY:

12. There are no equality or diversity issues.

OTHER IMPLICATIONS:

13. There are no other implications.

NEXT STEPS:

14. A full high-level review of the risk register by PSLT will include the following:

- a) Consideration of expanding risk ratings of individual risks;
- b) Extension of acknowledging those issues of MySurrey have been resolved; and
- c) Consider how residual issues are better defined in the register.

Contact Officer:

Colette Hollands, Interim Head of Accounting and Governance

Annexes:

- 1. Risk Register (July 2024) – Annexe 1
- 2. Financial System Update – Annexe 2

Sources/Background papers:

- 1. None

This page is intentionally left blank