

SURREY COUNTY COUNCIL

LOCAL PENSION BOARD



DATE: 11 NOVEMBER 2021

LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL

SUBJECT: RISK REGISTERS 2021/22 QUARTER 2

SUMMARY OF ISSUE:

This report considers changes to Fund and Administration risk registers in quarter 2.

RECOMMENDATIONS:

The Board is recommended to:

1. **Note** the content of this report and the Fund Risk Register (shown as Annex 1) and the Administration Risk Register (shown as Annex 2).
2. **Make** recommendations to the Pension Fund Committee (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 Fund and Pensions Administration risk registers will give the Board the opportunity to influence and drive the risk management process during 2021/22.
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 is 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 in the Risk Register

9. Changes to both Fund Risk Register and Administration Risk Register have been tracked.

CONSULTATION:

10. The Chairman of the Local Pension Board has been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

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

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

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

DIRECTOR OF CORPORATE FINANCE COMMENTARY

13. The Director of Finance, Corporate and Commercial is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

14. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY

15. There are no equality or diversity issues.

OTHER IMPLICATIONS

16. There are no other implications.

WHAT HAPPENS NEXT

17. The risk registers will be presented to Pension Fund Committee on 10th December for their recommendations and approval.

Contact Officer:

John Smith
Ayaz Malik
Tom Lewis
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Mel Butler

Consulted:

Local Pension Board Chairman

Annexes:

1. 2021/22 Quarter 1 Fund Risk Register
2. 2021/22 Quarter 1 Administration Risk Register

Sources/background papers:

1. None.
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