

SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD



DATE: 17 MAY 2024

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

SUBJECT: RISK REGISTER UPDATE 2023/24 QUARTER 4

SUMMARY OF ISSUE:

This report considers changes made to the Risk Register for the Surrey Pension Team during Quarter 4 of 2023/24.

RECOMMENDATIONS:

The Board is recommended to:

1. **Note** the content of this report and the Risk Register (Annexe 1).
2. **Make** 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.
3. Risk areas 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 scores have been reduced in two areas, while not reducing or diluting the focus of the team on making progress.

Risk	Skills / knowledge gaps lead to inefficiency and poor performance	Work volume mismatch with operational capacity leading to backlogs
Risk ID	9	11
Score	16 → 9	16 → 9
Comment	Progress on workforce and talent plans has reduced 'major' and 'likely' scores.	Legacy issues have been highlighted as a result of recent improvement focus. Backlogs are receiving attention and being addressed.
Residual risk	Remains a risk –with some potential single points of failure within the organisational structure to be addressed.	Remains a risk pending full resolution of legacy issues.

- The ongoing issues previously reported relating to Unit4/MySurrey financial system implemented in June 2023 remain an area of significant focus – and the risk score is unchanged (see below).

Top risk area commentary

- Commentary is provided below on the risk area in the risk register with the highest combined likelihood and impact score. Annexe 2 provides further detail.

Risk	Implementation of new financial systems leads to delayed processing, data integrity issues or financial loss
Risk ID	16
Score	16
Comment	Ongoing issues with MySurrey – Engagement with project team continues. Consequential issues from ongoing payroll interface challenges continue.
Residual risk	Remains a risk pending progress on resolution of issues

CONSULTATION:

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

RISK MANAGEMENT AND IMPLICATIONS:

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

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

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

DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL COMMENTARY

10. The Director of Finance, Corporate and Commercial is satisfied that relevant, 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.

WHAT HAPPENS NEXT

14. The risks will be regularly monitored and reporting to the Board will be undertaken.

Contact Officers:

Siva Sanmugarajah

Risk & Compliance Manager

Consulted:

Local Pension Board Chair

Annexes:

Risk Register (April 2024) – Annexe 1

Financial System Implementation Update – Annexe 2

Sources/background papers:

None.

This page is intentionally left blank