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**RISK REGISTER UPDATE**

**Report by Chief Financial Officer**

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**PENSION FUND COMMITTEE**

**17 June 2014**

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**1 PURPOSE AND SUMMARY**

- 1.1 **This report provides the Pension Fund Committee with an updated Risk Register for approval.**
- 1.2 Identifying and managing risk is a corner stone of effective management and is required under guidance relating to pension funds published by CIPFA.
- 1.3 Appendix 1 details the Risk Register updated and scored at the workshop earlier.

**2 STATUS OF REPORT**

- 2.1 This report was developed in a workshop session with the Committee Members on the 17 June, for presentation to the formal Committee on the same day. As a result it has not been through the normal consultation process. This report is being present as urgent business as it links to the annual governance requirements for the fund which will be subject to External Audit over the summer period.

**3 RECOMMENDATIONS**

- 3.1 **It is recommended that the Pension Fund Committee:-**
  - (a) **Approves the updated Risk Register as contained in Appendix 1**
  - (b) **Agrees quarterly Red Risk reviews being undertaken, with the next due in September 2014:**
  - (c) **Agrees to a six monthly Amber Risk review being undertaken in December 2014: and**
  - (d) **Agrees to the next annual Full Risk review being undertaken in June 2015.**

## **4 BACKGROUND**

- 4.1 Identifying and managing risk is a corner stone of effective management and is required under the CIPFA guidance "Delivering Governance in Local Government Framework 2007". It is further reflected and enhanced in the "Local Government Pension Scheme" published by CIPFA.
- 4.2 The Risk Register has been developed in line with the Council's approach to risk management as set out in "Managing Risk: A Practical Guide to Risk Management in the Borders" and assesses risks using a risk score based on likelihood and impact. It has been further refined to reflect best practice "Managing Risk in the Local Government Pension Scheme" published by CIPFA.
- 4.3 The Pension Fund Committee per the Council's policy undertook a full risk review June 2013 and implemented the review cycle, as shown below was followed:

RED - 3 monthly reviews of action progress throughout the year

AMBER - 6 monthly reviews throughout the year coinciding with red reviews

YELLOW/  
GREEN - Annual reviews, coinciding with red and amber reviews

The annual review of all risks is now required per the cycle.

## **5 RISK REGISTER REVIEW**

- 5.1 Following a workshop on 17 June 2014 with the Members of the Committee the Risk Register has been fully updated to reflect the Committee's view on the assessment of the risks to the Pension Fund. A copy of the updated Risk Register is contained in Appendix 1.
- 5.2 To comply with the Council's policy of risk review it is proposed a Red Risk progress review is undertaken on a quarterly basis at each of the Committee meetings with the next being September 2014, and undertakes a six monthly Red/Amber progress review with the next being brought to the December 2014 meeting. The next annual Full Risk register review will be brought to the Committee in June 2015.

## **6 IMPLICATIONS**

### **6**

#### **6.1 Financial**

There are no direct financial implications of this report.

#### **6.2 Risk and Mitigations**

The purpose of providing the update to the Committee is as part of improving the risk management framework for the Pension Fund to demonstrate that it understands the risks faced and how it is proposing to manage, mitigate or tolerate these risks.

#### **6.3 Equalities**

It is anticipated that there are no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals in this report.

#### 6.4 **Acting Sustainably**

There are no direct economic, social or environmental issues with this report which would affect the Council's sustainability policy.

#### 6.5 **Carbon Management**

There are no direct carbon emissions impacts as a result of this report.

#### 6.6 **Rural Proofing**

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

#### 6.7 **Changes to Scheme of Administration or Scheme of Delegation**

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

### 7 **CONSULTATION**

- 7.1 The Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR, and the Clerk to the Council have not consulted on the report due to the circumstances explained in paragraph 2 above.

#### **Approved by**

David Robertson  
**Chief Financial Officer**

**Signature .....**

#### **Author(s)**

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#### **Background Papers:**

**Previous Minute Reference:** Pension Fund Committee 04 March 2014

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