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**RISK REGISTER UPDATE**

**Report by Chief Financial Officer**

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**PENSION FUND COMMITTEE**

**11 December 2014**

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**1 PURPOSE AND SUMMARY**

- 1.1 **This report provides the Pension Fund Committee with an opportunity to review the Risks previously categorised as "Red" under the Council's approach to managing risk, and updates members on progress made in mitigating the effect of these risks on the pension fund.**
- 1.2 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.
- 1.3 Appendix 1 details the progress of the additional control measures on the risk identified as "Red" and "Amber".
- 1.4 Appendix 2 details the new risks identified around possible changes to national jurisdictions and there initial scores

**2 RECOMMENDATIONS**

- 2.1 **It is recommended that the Pension Fund Committee:-**
  - (a) **Notes the progress on the Red and Amber risk items contained in Appendix 1**
  - (b) **Agrees to a quarterly Red risk review being undertaken with the next due in March 2015; and**
  - (c) **Agrees to the inclusion of the new risk contained in Appendix 2.**

### **3 BACKGROUND**

- 3.1 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.
- 3.2 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.
- 3.4 A full risk review was undertaken in June 2014 and agreed the Council's policy of 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

This report forms the second of the 3 monthly reviews of the Red risk items and first of the 6 monthly reviews of the Amber risk items.

### **4 RISK PROGRESS**

- 4.1 The current approved risk register contains 2 Red risks and 13 Amber risks. These are shown in **Appendix 1** with an update on progress in relation to the proposed actions.
- 4.2 At March Pension Fund meeting a number of new risks were identified in connection with changes in national jurisdictions which could have arisen from the Referendum and possible changes to the position of the United Kingdom within the European Union. These risks were not scored at the meeting and it was agreed they would be brought back to the December meeting. These are contained in **Appendix 2**. Due to the result of the Referendum only one risk remains a valid risk for inclusion in the risk register. This risk has been provisionally scored by Officers for discussion.

### **5 IMPLICATIONS**

- 5.1 Financial  
There are no direct financial implications of this report.
- 5.2 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.

### 5.3 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.

### 5.4 Acting Sustainably

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

### 5.5 **Carbon Management**

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

### 5.6 **Rural Proofing**

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

### 5.7 **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.

## 6 CONSULTATION

- 6.1 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 been consulted in the preparation of this report and any comments received on the report have been incorporated.

### Approved by

David Robertson  
**Chief Financial Officer**

**Signature .....**

### Author(s)

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### Background Papers:

**Previous Minute Reference:** Pension Fund Committee 4 September 2014

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