
RISK REGISTER UPDATE

Report by Chief Financial Officer

JOINT MEETING OF PENSION FUND COMMITTEE AND PENSION BOARD

8 March 2018

1 PURPOSE AND SUMMARY

- 1.1 **This report forms part of the risk review requirements and provides the Members of the Pension Fund Committee and Pension Board with an update of the progress of the actions taken by management to mitigate these risks, a review of any new risks and highlights changes to any of the risks contained in the risk register.**
- 1.2 Identifying and managing risk is a corner stone of effective management and is required under the Council's Risk Management Policy and process guide and CIPFA's 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 A full risk review was undertaken on 10 May 2017 and the revised risk register was approved by the Joint Pension Fund Committee and Pension Fund Board on 22 June 2017. An update on the actions were provided to the Committee on 4 December 2017.
- 1.4 Appendix 1 details the risks within the approved risk register which have been identified management, actions and the progress of these actions to date.

2 RECOMMENDATIONS

- 2.1 **It is recommended that the Committee and Board:**
 - (a) **Note the management actions progress as contained in Appendix 1;**
 - (b) **Notes the website going live on 31 March 2018 will complete 5 of the agreed actions;**
 - (c) **Notes a report to committee on the cashflow actions will be presented to committee in June 2018.**
 - (d) **Notes no new quantifiable risks have been identified since the last review; and**
 - (e) **Agrees to a full risk review during June 2018**

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 the "Risk Management process guide" 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.
- 3.3 The Pension Fund's Business Plan 2017/18 – 2019/20 was approved on 22 June 2017, setting out the aims and objectives of the Pension Fund. These aims and objectives recognised in the formation and approval of the Pension Funds risk register.
- 3.4 The Council's revised Risk Management process guide uses the following risk scoring:

Level of risk	Risk score
RED	High – Risk Score Range 15-25
AMBER	Medium – Risk Score Range 6 – 12
GREEN	Low – Risk Score Range 1 - 5

- 3.5 To comply with the Council's revised policy of risk management and best practice, a Risk Management reporting cycle was developed around the performance and business plan reporting of the Pension Fund. As a result the following cycle of reporting was adopted:

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|-------------|---|
| Quarterly | <ul style="list-style-type: none">• Quarterly Investment Performance Report;• Key risks, escalation of any risks that are perceived to have changed adversely and any new risks need to be considered by the Committee;• Update on progress of risk management action delivery. |
| Bi-Annually | <ul style="list-style-type: none">• Mid-Year Progress report on Business Plan Actions;• Key risks, escalation of any risks that are perceived to have changed adversely and any new risks need to be considered by the Committee;• Update on progress of risk management action delivery. |
| Annually | <ul style="list-style-type: none">• Annual Governance Meeting with Annual Report and Policy/Strategy Performance Reports;• Annual reporting on progress with Business Plan and approval of updated Business Plan;• Annual reporting on progress with Risk Management Actions and approval of fully reviewed Risk Register including consideration of any new risks. |

4 RISK REGISTER UPDATE

- 4.1 A full risk workshop was undertaken on 10 May 2017 by Officers in order to ensure that the risk register's contents were still relevant and up-to-date. The outcome of the workshop was then considered and approved at the

Committee/Board meeting on 22 June 2017, with an update of the actions provided to Committee on 4 December 2017. This report provides an update on all areas required for bi-annual review except for the mid-year progress of the Business Plan which is reported in a separate report.

- 4.2 The progress of the individual management actions identified in the current risk register is detailed in Appendix 1.
- 4.3 The implementation and launch of the Pension Fund website by 31 March 2018 will complete the proposed additional actions for 5 of the current risks being monitored. This will allow the current risks scores to be re-evaluated as part the full risk review for June 2018.
- 4.4 Work on cashflow projections is nearing completion. An update will be presented to the June 2018 meeting detailing the findings and recommendations for the future cashflow management.
- 4.5 No new quantifiable risks have been identified since the approval of the risk review update on 4 December 2017. The risks previously identified and scored remain unchanged.

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 and Board is to improve the risk management framework for the Pension Fund and demonstrate that the Members of the Pension Fund Committee and the Pension Board understand the risks faced and how it is proposed to manage, mitigate or tolerate these risks. The Additional Proposed Actions as contained in Appendix 1 are designed to directly enhance the management of 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 of Scheme of Delegation are required as a result of this report.

6 CONSULTATION

6.1 The Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR and the Clerk to the Council have been consulted and their comments have been included in the report.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

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Background Papers:

Previous Minute Reference: Pension Fund Committee and Pension Board 4
December 2017

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