
RISK REGISTER UPDATE

Report by Chief Financial Officer

JOINT MEETING OF PENSION FUND COMMITTEE AND PENSION BOARD

10 December 2015

1 PURPOSE AND SUMMARY

- 1.1 This report forms part of the bi annual risk review request and provides the Members of the Pension Fund Committee and Pension Board with an update of the progress of the management actions to mitigate the 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 Appendix 1 details the risks within the approved Risk Register which identified management actions and the progress of these actions to date
- 1.4 In line with the Council's Risk Management Policy (2015) a paper to be presented at the June 2015 meeting will demonstrate progress regarding actions and present a fully reviewed risk register including consideration of any new risks.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Committee and Board:-**
 - (a) Notes the management actions progress as contained in Appendix 1**
 - (b) Agrees to the additional actions proposed in Appendix 1.**
 - (c) Notes further information to be provided at the March 2016 meeting on pooling of funds and infrastructure investments.**
 - (d) Notes no new risks have been identified since the last review.**
 - (e) Agrees to a full review of the risk register being undertaken in June 2016 to include progress on risk management actions, and consideration of any new risks.**

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 2015/16 – 2017/18 was approved on 18 June 2015 and set out the aims and objectives of the Pension Fund. These aims and objectives were fully considered and 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:
- Quarterly
- 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 Committee.
 - Update on progress of risk management action delivery
- Bi-Annually
- 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 Committee.
 - Update on progress of risk management action delivery
- Annually
- Annual Governance Meeting with Annual Report and Policy/Strategy Performance Reports
 - Annual reporting on progress with Business Plan and approved updated Business Plan
 - Annual reporting on progress with Risk Management Actions approval of fully reviewed Risk Register including consideration any new risks

4 RISK REGISTER UPDATE

- 4.1 A full risk workshop was undertaken on 3 September 2015 in order to ensure that the risk register's contents were still relevant and up-to-date. The outcome of the workshop was then approved at the Committee/Board meeting. 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 are detailed in Appendix 1.
- 4.3 There has been discussion at UK national level on the pooling of pension funds and drive to increase investment in infrastructure. Officers are currently undertaking further work to assess the possible implications for the Pension Fund and will report back to the Committee and Board at the March 2016 meeting to allow the risk score to be evaluated on a more informed basis.
- 4.4 No new risks have been identified since the approval of the risk register on 3 September 2015. The risks previously identified and scored at the September workshop 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 as part of improving the risk management framework for the Pension Fund to 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, and recommended for approval by the Committee and Board in this report, 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

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 are currently being consulted and their comments will be made available at the meeting.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

Name	Designation and Contact Number
Kirsty Robb	Treasury & Capital Manager, 01835 825249

Background Papers:

Previous Minute Reference: Pension Fund Committee 3 September 2015

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. The Treasury & Capital Team can also give information on other language translations as well as providing additional copies.

Contact us at: Treasury & Capital Team, Council Headquarters, Newtown St Boswells, Melrose, TD6 OSA Tel: 01835 825016 Fax 01835 825166. email: treasuryteam@scotborders.gov.uk