
RISK REGISTER UPDATE

Report by Acting Chief Financial Officer

JOINT MEETING OF PENSION FUND COMMITTEE AND PENSION BOARD

9 March 2023

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 on 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 Following the Committee meeting on 13 December 2022, the Council appointed Isio to assist with the management of the Pension Fund. As part of their remit, they have reviewed the risk register and have made a number of observations and comments.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Committee and Board:**
 - (a) Agrees to a review of the risk register as outlined in the main report; and**
 - (b) Agrees to the timetable as set out in paragraph 3.1(f).**

3 RISK OBSERVATIONS AND COMMENTS

3.1 Following the Committee meeting on 13 December 2022, the Council appointed Isio to assist with the management of the Pension Fund. As part of their remit, they have reviewed the risk register and have made the following observations and comments:

- a)** Objectives – The Committee should take the opportunity to set its objectives for the risk register and ensure the risks are appropriate, easily measurable and within their control. The risks should also be aligned with those of the Council.
- b)** Policy – The Committee should consider having a risk framework policy.
- c)** Recommendations – The review of the risk register should take into account the recommendations made by Clare Scott’s report (which was presented to the Committee on 13 December 2022), those arising from the Internal Audit report and the External Audit report by Audit Scotland.
- d)** Number - The number of risks (51) are too many and, therefore, should be reduced to a manageable amount. The average number of risks for a pension fund risk register would be between 20 and 25. However, the review will take into account what other similar local government schemes’ risk registers look like.
- e)** Categories – The current categorisation of risks should be reviewed with a view of having risks under the following categories:
 - Funding
 - Investment
 - Administration
 - Governance
 - Operational
- f)** Timetable – the Committee should note the anticipated timetable for this review:
 - June 2023 - Objectives, policy, and mapping of current risks to the new risk register
 - September 2023 – Full review of the new risk register
 - December 2023 – Review of Funding and Investment categories
 - March 2024 – Review of Administration category
 - June 2024 – Review of Governance and Operational categories.

4 IMPLICATIONS

4.1 Financial

There are no direct financial implications of this report.

4.2 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.

4.3 **Integrated Impact Assessment**

There is no impact or relevance to Equality Duty or the Fairer Scotland Duty for this report.

4.4 **Sustainable Development Goals**

There are no direct impacts from this report on the sustainable development goals of the Council.

4.5 **Climate Change**

There are no direct climate change impacts as a result of this report.

4.6 **Rural Proofing**

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

4.7 **Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained in this report.

4.8 **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.

5 **CONSULTATION**

- 5.1 The Interim Chief Officer Corporate Governance (and Monitoring Officer), the Chief Officer Audit and Risk, the Director People, Performance and Change, the Clerk to the Council and Corporate Communications have been consulted and any comments received have been incorporated into the final report.

Approved by

Suzy Douglas

Acting Chief Financial Officer

Signature

Author(s)

Name	Designation and Contact Number
Suzy Douglas	Acting Chief Financial Officer

Background Papers:

Previous Minute Reference: Joint Pension Fund Committee and Pension Fund Board 13 December 2022

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

Contact us at: Pension & Investment Team, Council Headquarters, Newtown St Boswells, Melrose, TD6 OSA Tel: 01835 825249 Fax 01835 825166. email: t&cteam@scotborders.gov.uk