

## **Review of Pension Fund Risk Register**

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### **1. Summary**

- 1.1 In response to CIPFA guidance recommending the adoption and monitoring of a risk register for LGPS funds the Pension Board have requested that a review of the risk register is a standing item on the agenda for each meeting.

### **2. Issues for consideration**

- 2.1 To monitor the risks contained on the risk register and approve any amendments.
- 2.2 It is suggested that a more thorough review of the risk register should be undertaken by Committee with the help of the Pension Board with a full review of the risks currently on the register and consideration of risks which are not currently covered. This has been added to the workplan for the end of 2020.

### **3. Changes since last meeting**

- 3.1 The risk score for risk PF2 has been re-assessed in light of the results of the 2019 valuation exercise. The improvement in funding level from 77% to 86% is deemed insufficient to allow for a lowering of the likelihood assessment of the risk score.
- 3.1 Following the addition of cyber security as a stand-alone risk at the last meeting we have now explored the mitigation and controls in place within Peninsula Pensions and reduced the risk score accordingly.
- 3.2 There have been no further changes to the risk register.

#### **4. Background**

- 4.1 Risk management is central to the management of the Pension Fund as reflected by the coverage of risk in key documents such as the Funding Strategy Statement and the Statement of Investment Principals. The risk register allows for consideration of all of the fund's risks in a single document.
- 4.2 Guidance issued by CIPFA on the application of the Myner's Principles in the LGPS in 2010 indicated that the creation and adoption by Pensions Committees of a risk register was best practice.
- 4.4 The current risk register is attached as appendix A and has been prepared using the Somerset County Council risk framework and scoring methodology

#### **5. Consultations undertaken**

None

#### **6. Financial Implications**

- 6.1 No direct implications

#### **7. Background Papers**

None

**Note** For sight of individual background papers please contact the report author.