

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 Pensions Fund Committee 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.

3. Changes since last meeting

3.1 At the request of the Pension Board the likelihood score of PF5 – Admin 5 (Key person risk) has been increased to reflect the current low level of succession planning within the investments team. The risk overall is still amber.

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.

4.3 Following on from CIPFA's guidance the Committee has indicated that it wishes to adopt a risk register. The Committee have agreed that rather than have a static register that is reviewed periodically that the register should be discussed at every meeting and changes agreed and implemented as necessary.

4.4 The current risk register is attached as appendix A and has been prepared using the Somerset Council risk framework and scoring methodology.

4.5 With many of the risks a failure could also lead to considerable damage to the reputation of the fund and the trust placed in it by members and employers.

5. Consultations undertaken

5.1 None.

6. Financial implications

6.1 No direct implications.

7. Background papers

7.1 None

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