

Report Title:	Risk Management
Contains Confidential or Exempt Information	No - Part I
Cabinet Member:	Councillor Bond, Chairman Pension Fund Committee and Advisory Panel
Meeting and Date:	Pension Fund Committee and Advisory Panel – 18 March 2024
Responsible Officer(s):	Ian Coleman, Interim Head of Pension Fund
Wards affected:	None

REPORT SUMMARY

A Risk Register is brought to the Royal County of Berkshire Pension Fund Committee quarterly for consideration of all known risks and their respective controls/mitigations, this report deals with the regular reporting of the revised Risk Register to the Pension Fund Committee in line with the Risk Management policy approved on 13 March 2023.

The Royal County of Berkshire Pension Fund has adopted the 2018 CIPFA risk management framework “Managing risk in the Local Government Pension Scheme”.

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That the Pension Fund Committee notes the report;

- i) Approves the Risk Register for publication.**

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 The Scheme Manager (The Royal Borough of Windsor and Maidenhead as the Administering Authority for the Pension Fund) has a statutory duty to establish and operate risk controls. Failure to implement an adequate and appropriate risk assessment policy and Risk Register could lead to breaches of law. Where the wider implications of not having in place adequate internal controls are likely to be materially significant, the Pensions Regulator must be notified in accordance with the Scheme Manager’s policy on reporting breaches of the law.
- 2.2 As a live document, this Risk Register is kept under review and is presented to and reviewed by the Local Pension Board and the Royal County of Berkshire Pension Fund Committee on a quarterly basis.
- 2.3 There remains 46 risks in total identified in this quarter’s Risk Register.
- 2.4 A table of the highest ranked risks has been provided in the body of this report, noting that of the 46 identified risks, just one is flagged as red after mitigations.

Risk ID	Risk Description	Post-mitigation score
PEN026	McCloud remedy will generate considerable additional workloads for the team resulting in potential resource concerns.	32
PEN001	Investment managers fail to achieve returns of at least the actuarial discount rate over the longer term, leading to deterioration in funding levels and increased contribution requirements from employers compared to actuarial assumptions set at the last Triennial valuation	24
PEN014	Impact of increases to employer contributions following the 2025 and future actuarial valuations.	24
PEN027	Failure to comply with Scheme regulations and associated pension law leading to, for example, incorrect pension payments being made. Risk of fines, adverse audit reports and breaches of the law. (Scoring update in September 2023 puts considerable weight on McCloud remedy)	24
PEN030	Failure to hold data securely due to poor processing of data transfers, poor system security, poor data retention and disposal, poor data backup and recovery of data.	24
PEN031	Failure of cyber security measures following a cyber attack or data breach, including information technology systems and processes, leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal scheme membership data.	24

2.5 Key changes from the last date of approval (additions, removals, significant changes to mitigations and/or risk scores) are brought to the Committee's attention and are summarised as follows (noting that minor re-wording has not been included in the summary below):

Removed Risks

No risks removed.

New Risks

No new risks.

Amended Risks

No amended risks.

3. KEY IMPLICATIONS

3.1 Failure to maintain and keep under review the Royal County of Berkshire Pension Fund's key risks could lead to a loss in confidence and sanctions being imposed by the Pensions Regulator where failings are deemed to be materially significant for the Pension Fund and its stakeholders.

4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 Failure to monitor identified risks and to implement appropriate strategies to counteract those risks could lead to an increased Pension Fund deficit resulting in employers having to pay more.

5. LEGAL IMPLICATIONS

- 5.1 The Administering Authority is required to govern and administer the Scheme in accordance with the Public Service Pensions Act 2013 and associated Local Government Pension Scheme Regulations. Failure to do so could lead to challenge.

6. RISK MANAGEMENT

- 6.1 The Risk Register is reviewed quarterly by the Local Pension Board and the Royal County of Berkshire Pension Fund Committee and updated regularly by Officers to ensure all risks are appropriately documented and mitigated where possible.

7. POTENTIAL IMPACTS

- 7.1 Failure to comply with pension legislation could result in the Administering Authority being reported to the Pensions Regulator where failure is deemed to be a material significance.
- 7.2 Equalities. The Equality Act 2010 places a statutory duty on the council to ensure that when considering any new or reviewed strategy, policy, plan, project, service or procedure the impacts on particular groups, including those within the workforce and customer/public groups, have been considered. An Equality Impact Assessment (EQIA) screening exercise has been completed and approved in respect of this report and shared with the RBWM Equalities team. It has been determined through the EQIA screening that a full EQIA is not required and is therefore not appended with this report.
- 7.3 Climate change/sustainability. n/a
- 7.4 Data Protection/GDPR. GDPR compliance is included as a specific risk on the Risk Register in regard to processing and handling personal data, this is dealt with in the appendix along with the relevant mitigations.

8. CONSULTATION

- 8.1 No specific formal or organised consultation process has been undertaken since the date of last review, however, Local Pension Board Members and Royal County of Berkshire Pension Fund Committee Members undertook a detailed annual review and training session in early 2022 in developing a revised Risk Management policy. The Royal County of Berkshire Pension Fund Committee re-approved the Risk Management Policy again in March 2023 as part of an annual review process and the appended Risk Register is fully consistent with this policy.

- 8.2 The Risk Register is made publicly available and the Royal County of Berkshire Pension Fund is continuously open to comments from all relevant stakeholders. The Committee and Board Chairs, Independent Advisors and senior Officers are consulted on proposed changes during the preparation of quarterly reports.
- 8.3 The Royal County of Berkshire Pension Fund Committee re-approved the Risk Management Policy again in March 2023 as part of an annual review process.
- 8.4 The Royal County of Berkshire Pension Fund’s external advisors have been consulted in developing the revised Risk Management Policy.

9. TIMETABLE FOR IMPLEMENTATION

- 9.1 Ongoing.

10. APPENDICES

- 10.1 This report is supported by one appendix:

- Appendix 1 – Risk Register

11. BACKGROUND DOCUMENTS

- 11.1 This report is supported by nil background documents.

12. CONSULTATION

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory: Statutory Officer (or deputy)</i>			
Elizabeth Griffiths	Executive Director of Resources & S151 Officer	01/03/24	
Elaine Browne	Deputy Director of Law & Governance & Monitoring Officer	01/03/24	06/03/24
<i>Deputies:</i>			
Andrew Vallance	Deputy Director of Finance & Deputy S151 Officer	01/03/24	06/03/24
Jane Cryer	Principal Lawyer & Deputy Monitoring Officer	01/03/24	
Helena Stevenson	Principal Lawyer & Deputy Monitoring Officer	01/03/24	
<i>Mandatory: Equalities Officer – to advise on EQiA, or agree an EQiA is not required</i>			
Ellen McManus-Fry	Equalities & Engagement Officer	29/02/24	29/02/24

Mandatory:	<i>Assistant Director HR – to advise if report has potential staffing or workforce implications</i>		
Nikki Craig	Assistant Director of HR, Corporate Projects and IT	01/03/24	
Other consultees:			
Cllr Simon Bond	Chair – Royal County of Berkshire Pension Fund Committee	01/03/24	02/03/24
Alan Cross	Chair – Local Pension Board	01/03/24	

REPORT HISTORY

Decision type:	Urgency item?	To follow item?
Pension Fund Committee decision	No	No

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