

Report for:  
INFORMATION



<b>Contains Confidential or Exempt Information</b>	NO - Part I
<b>Title</b>	Risk Assessment Register
<b>Responsible Officer(s)</b>	Nick Greenwood
<b>Contact officer, job title and phone number</b>	Kevin Taylor Deputy Pension Fund Manager 01628 796715
<b>Member reporting</b>	Cllr John Lenton
<b>For Consideration By</b>	Berkshire Pension Fund and Pension Fund Advisory Panels
<b>Date to be Considered</b>	12 September 2016
<b>Implementation Date if Not Called In</b>	N/A
<b>Affected Wards</b>	All

#### REPORT SUMMARY

1. This report provides an update concerning the Pension Fund's Risk Assessment Register.

#### **If recommendations are adopted, how will residents, fund members and other stakeholders benefit?**

Benefits to residents and reasons why they will benefit	Dates by which residents can expect to notice a difference
1. The monitoring of risks and compliance with regulatory obligations demonstrates good governance of the Fund	Immediate

### 1. DETAILS OF RECOMMENDATIONS

#### RECOMMENDATION: That Panel:

- i. considers the amendments made to the risk register as set out in this report and as represented in the full register at report Annex 1

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

The Scheme Manager (The Royal Borough as the administering authority for the Fund) has a legal duty to establish and operate internal controls. Failure to implement an adequate and appropriate risk assessment and register could lead to breaches of law and where the effect and wider implications of not having in place adequate internal controls are likely to be materially significant the Pension Regulator must be notified in accordance with the Scheme Manager's policy on reporting breaches of the law.

All high and medium risks have been reviewed and changes have been made to:

PEN 016 – Failure to delegate duties appropriately. Reduced to low risk. Actioned following a paper received by Panel in January 2016 concerning the delegation of certain duties to Officers.

PEN 026 – Pooling of LGPS assets. This remains as a medium risk. The Fund has currently entered into negotiations with LPP as the preferred partner.

Other high and medium risks remain pending further action:

PEN 004 – Failure to maintain a high quality member database. Remains as the only high risk and will be reviewed in March 2017 in line with the Fund's pension administration strategy. RBWM and its associated academies are fully compliant with West Berkshire Council and Reading Borough Council being the next authorities most likely to adopt i-Connect.

PEN 017 – Funding level below 100%. This remains as a medium risk and will be reviewed following the triennial actuarial valuation whose results will be known by the end of the current financial year..

PEN 025 – Inability of Scheme employers to meet their obligations. The Pension Fund Manager continues to explore options for the implementation of an insurance policy to protect the Pension Fund against a scheme employer's failure to be able to meet the cost of it's liabilities at exit from the Fund.

PEN 028 – Reconciliation of GMP records. This remains as a medium risk but work has commenced with the reconciliation process and must be concluded by March 2018.

Option	Comments
Consider risks detailed in this report	<b>Recommended as this is a statutory obligation</b>

## 3. KEY IMPLICATIONS

- 3.1 This is a statutory policy requiring review by Panel. Failure to do so could lead to a loss in confidence.

<b>Defined Outcomes</b>	<b>Unmet</b>	<b>Met</b>	<b>Date they should be delivered by</b>
Review and update of risk register ensuring risks are contained.	Risks evolve and become an issue.	Risks reviewed and monitored	Ongoing

#### **4. FINANCIAL DETAILS**

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

#### **5. LEGAL IMPLICATIONS**

5.1 Compliance with regulations and guidance from the Pensions Regulator

#### **6. VALUE FOR MONEY**

Not applicable

#### **7. SUSTAINABILITY IMPACT APPRAISAL**

Not applicable

#### **8. RISK MANAGEMENT**

<b>Risks</b>	<b>Uncontrolled Risk</b>	<b>Controls</b>	<b>Controlled Risk</b>
Failure to comply with regulations, TPR requirements, Funding deficit etc	High	Review and monitor identified risks taking appropriate action where necessary	Low

#### **9. LINKS TO STRATEGIC OBJECTIVES**

9.1 Meeting statutory obligations to administer the Pension Fund in accordance with regulations and guidance issued by the Pensions Regulator.

#### **10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION**

10.1 Not required

#### **11. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS**

11.1 None

#### **12. PROPERTY AND ASSETS**

12.1 None

**13. ANY OTHER IMPLICATIONS**

13.1 None

**14. CONSULTATION**

14.1 None

**15. TIMETABLE FOR IMPLEMENTATION**

Immediate

**16. APPENDICES**

Annex 1 – Risk Register

**17. BACKGROUND INFORMATION**

None

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