



LOCAL PENSION COMMITTEE– 27 NOVEMBER 2020

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

RISK MANAGEMENT AND INTERNAL CONTROLS

Purpose of the Report

1. The purpose of this report is to inform the Committee of any changes relating to the risk management and internal controls of the Pension Fund, as stipulated in the Pension Regulator's Code of Practice.

Background

2. The Pension Regulator's (TPR) code of practice on governance and administration of public service pension schemes requires that administrators need to record, and members be kept aware of 'risk management and internal controls. The code states this should be a standing item on each Pension Board and Pension Committee agenda.
3. In order to comply with the code the risk register and an update on supporting activity is included on each agenda.

Risk Register

4. The updated risk register has been attached as an appendix to this report. There is one new risk, and two changes to risk scores that are set out below:-
 - Risk 5 – Fire administration - This risk has reduced as the transfer of the Firefighter Pension Scheme administration to West Yorkshire is progressing well. The 31 December 2020 remains the intended date of transfer, and following a successful transfer of fire pensions data during the testing process, all parties are confident this will be achieved.
 - Risk 9 – Transfers Out - This is a new risk. Pensions administration is seeing a gradual increase in transfer out activity, as people become tempted to use their pensions as short-term financial income. Companies are active in this market, some with complex Company and scheme sets ups. The Pension Manager is working closely with Legal colleagues to protect scheme members benefits from potential scam activity in this area.
 - Risk 15 – Future Investment Risks – The risk score has increased in this area due to current market uncertainties, but the mitigating actions remain in

place, so has not increased the residual score. Specifically named climate change as a risk to future returns.

Recommendation

5. It is recommended that the Committee approves the revised risk register of the Pension Fund.

Equality and Human Rights Implications

None

Appendix

Appendix - Risk Register

Officers to Contact

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