

Suffolk Pension Fund Committee

Report Title:	Risk Register
Meeting Date:	27 January 2016
Chairman:	Councillor Peter Bellfield
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Brief summary of report

1. This report sets out the revised Risk Register for the Pension Fund.

Action recommended

2. The Committee is asked to approve the Risk Register set out in **Appendix 1**.

Reason for recommendation

3. Risk management is a key responsibility of those charged with Pension Fund governance with a duty to identify the range of risks that could affect the long term sustainability of the Fund.
4. The effective management of risk is also an area which is covered within the CIPFA Knowledge and Skills framework which recognises the importance of having an understanding of the risks that could have an impact on the Pension Fund and what steps can be taken to mitigate such risks.

Alternative options

5. There are no alternative options.

Main body of report

Regulatory Background

6. The need for effective risk management is reflected throughout guidance and regulation in the Local Government Pension Scheme (LGPS), in the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 paragraph 12(2c) and in the CIPFA publication "Delivering Good Governance in Local Government Pension Funds" (2009). The Pensions Regulator published regulatory guidance in December 2015 entitled "Integrated Risk Management".

Risk Register

7. The risk register has been reviewed and updated in line with the guidance issued and reflects best practice in the identification, evaluation and control of risks in order to ensure that key risks are recognised, and then either eliminated or reduced to a manageable level. If neither of these options is possible, then means to mitigate the implications of the risks should be established.
8. Six key areas of risk have been identified:
 - Employer
 - Actuarial
 - Governance
 - Investment
 - Regulatory
 - Operational
9. Each of the risks within these key areas has been identified and assessed in terms of its impact on the Fund as a whole, on the Fund employers, and on the reputation of the Pension Fund Committee, Pension Board and Suffolk County Council as the administering authority, along with the probability of the risk occurring.
10. The impact of each risk has been assessed as:
 - Insignificant (1)
 - Minor (2)
 - Moderate (3)
 - Major (4)
 - Extreme (5)
11. The risk has then been assessed on the probability of the risk occurring.
 - Rare (1)
 - Unlikely (2)
 - Possible (3)
 - Likely (4)
 - Almost certain (5)
12. This has been used to allocate a risk score (multiplication of the score value in brackets above) to each risk which produces one of the risk ratings as follows:
 - Low (1-4)
 - Medium (5-9)
 - High (10-15)
 - Very High (16-25)
13. Risk control measures have been identified for each risk indicating the most effective way of managing the risk.

14. The risk register and actions taken to mitigate or control risks will be reported to the Committee at least twice a year.

Sources of further information

The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (S.I. 2009 No.3093).

Delivering Good Governance in Local Government Pensions Funds - CIPFA 2012
Integrated Risk Management - Pensions Regulator 2015

