

REPORT OF SERVICE DIRECTOR – FINANCE & PROCUREMENT**PENSION FUND RISK REGISTER****Purpose of the Report**

1. To present the revised Pension Fund Risk Register and to consider any recommended actions arising from the risks identified.

Information and Advice

2. The Pensions Investment Sub-Committee last reviewed the risk management strategy and corresponding risk register on 16 December 2010. In the light of current challenges facing pension funds such as investment performance, increasing liabilities and regulatory changes, the risk register has been updated.
3. The Pension Fund's Risk Management Strategy is to:-
 - a) identify key risks to the achievement of the Fund's aims
 - b) assess the risks for likelihood and impact
 - c) identify mitigating controls
 - d) allocate responsibility for the mitigating controls
 - e) maintain a risk register detailing the risk features in a)-d) above
 - f) review and update the risk register on an annual basis
 - g) report the outcome of the review to the Pensions Committee annually.
4. In order to assess the risks and produce the risk register, a standard format for risk management has been adopted. This uses a simple sliding scale of 1 to 5 to assess both the likelihood of a risk materialising and the impact if it does occur. A 'risk score' is then calculated for each risk by multiplying likelihood by impact.
5. The risk scores are plotted on a matrix (shown in the attached risk register) in order to assess the level of risk (low, medium, high or very high). This allows a more objective ranking of risks to take place and highlights the priority areas for possible further action.
6. The risk register identifies 16 risks in total, 2 of which are assessed as very high, 5 as high, 7 as medium and 2 as low risk. The majority are considered to have sufficient mitigating controls in place. Where further action is considered necessary this is detailed in the risk register.

Statutory and Policy Implications

7. This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, crime and disorder and those using the service and where such implications are material they have been described in the text of the report.

RECOMMENDATION/S

- 1) That the additional actions outlined in the revised risk register are considered for implementation.

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Background Papers

None