

12 December 2019

Agenda Item: 6

**REPORT OF SERVICE DIRECTOR – CUSTOMER, GOVERNANCE AND  
EMPLOYEES.**

**PENSION FUND - RISK REGISTER**

**Purpose of the Report**

1. To provide the Pensions Board with a report on the Risk Management on the Risk Register of the Nottinghamshire Pension Fund.

**Information and Advice**

2. The Risk Register was last formally reviewed by the Pension Board in September 2019. Good practice is for the register to be reviewed at each Pension Board Meeting.
3. The Risk Register is attached as an appendix to this report.
4. The risks as outlined in the Register are as follows:

<b>Ref</b>	<b>Risk</b>
Adm1	Standing data & permanent records are not accurate.
Adm2	Inadequate controls to safeguard pension fund records
Adm3	Failure to communicate adequately with all relevant stakeholders.
Gov1	Pension Fund governance arrangements are not effective
Gov2	Pension Fund objectives are not defined and agreed.
Gov3	An effective performance management framework is not in place.
Gov4	Inadequate resources are available to manage the pension fund.
Gov5	Failure to adhere to relevant legislation and guidance.
Inv1	Inappropriate investment strategy is adopted.
Inv2	Fund cash is insufficient to meet its current obligations.
Inv3	Fund assets are assessed as insufficient to meet long term liabilities.
Inv4	Significant variations from assumptions used in the actuarial valuation
Inv5a	Inadequate controls - Fund manager mandates
Inv5b	Inadequate controls - Custody arrangements
Inv5c	Inadequate controls - Accounting arrangements
Inv5d	Inadequate controls - Financial Administration
Inv5e	Inadequate controls - Stewardship

5. Activities classed as 'Administrative' are managed by Pensions Administration under Group Manager (BSC), those classed as 'Investments' are managed by the Pensions & Treasury Management team in Finance under Group Manager (Financial Strategy & Accounting), and those classed as 'Governance' may involve either Admin or Finance, with additional support from Legal Services. However, there is some degree of overlap.
6. The review of the Risk Register has two aims: (i) to separate out and clarify these key risks/responsibilities; (ii) to consider what action is required to maintain or improve current risk levels and set specific and measurable objectives accordingly.
7. A copy of the Risk Register has been approved by the Pension Fund Committee and is posted to the Fund website alongside other Fund policies.

## **Statutory and Policy Implications**

8. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATION/S**

- 1) That Pension Board members consider whether there are any actions they require in relation to the issues contained within the report.

**Marjorie Toward**

**Service Director – Customers, Governance, and Employers**

**For any enquiries about this report please contact:**

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## **Constitutional Comments (KK 28.11.2019)**

9. The proposal in this report is within the remit of the Nottinghamshire Local Pension Board.

## **Financial Comments (KP 28.11.2019)**

10. There are no direct financial implications arising from the report.

## **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- 'None'