

Pension Fund Committee

Meeting to be held on Friday, 30 June 2017

Electoral Division affected: None;

Lancashire County Pension Fund Risk Register

(Appendix 'A' refers)

Contact for further information:

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Executive Summary

The draft risk register was reviewed by the Committee at its meeting in December. The draft has subsequently been updated and finalised by risk owners and a copy of the final version of the risk register is attached in Appendix 'A'.

Risk owners are required to manage the risks for which they are responsible and the risk register will be updated periodically as a result. Updates will be reported to the Committee on a six monthly basis.

Recommendation

The Committee are asked to note the updated risk register as set out in Appendix 'A'.

Background and Advice

Risk management is the practice of identifying, analysing and controlling in the most effective manner all threats to the achievement of the strategic objectives and operational activities of the organisation. It is not a process for avoiding or eliminating risk although that may be a consequence of the risk mitigation measures deployed.

The Head of Fund has worked with PwC to refresh the Pension Fund risk register taking into account the direction of the Fund and the change in governance arrangements due to the relationship with the Local pension Partnership (LPP).

The risk register attached as Appendix 'A' covers the following areas:

- Operational risk
- Investment and funding risk
- Member risk; and
- Transition risk

The impact and likelihood has then been scored on a scale of one to four (one being low risk, four being high risk) in order to assess whether the overall risk level is low, medium or high. The risk owners then assessed whether there are any mitigating factors in place which could reduce the level of risk and the risk score was adjusted accordingly.

The following risks are currently designated as 'high':

- Transition risk – T1, T2, T3, T4 and T5 – it is expected that over time these risks will either be removed or become operational with a reduced rating.
- Investment and Funding risk – I1, I2, I3 and I4.
- Operational – O1, O2, O3 and O4.

The risk register will continue to be reviewed on a regular basis.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

The Pension Fund Committee is the body charged with exercising the County Council's responsibilities as administering authority of the Pension Fund, and accordingly takes the responsibility for ensuring that there is effective risk management over those operations.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
N/A		

Reason for inclusion in Part II, if appropriate
N/A