

Lancashire Local Pension Board

Meeting to be held on the 17th October 2017

Electoral Division affected: (All Divisions);
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Lancashire County Pension Fund Risk Register

(Appendix 'A' refers)

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Executive Summary

The risk register was updated and presented to the Pension Fund Committee at its meeting on 30th June 2017.

Since that meeting the register has been reviewed by County Council officers in consultation with colleagues from the Local Pensions Partnership (LPP) and will continue to be reviewed and updated on a 6 monthly basis.

Recommendation

The Board are asked to note the updated Risk Register as set out in the attached 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. Risk management does not necessarily avoid or eliminate the risk, however, mitigating actions can reduce the likelihood and impact of the risks.

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

- Investment & Funding Risk;
- Member Risk;
- Operational Risk;
- 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 Head of Fund, together with the Governance & Risk Officer, have worked with LPP to review the current Pension Fund risk register. A copy of the updated risk register is attached in Appendix 'A' which incorporates the following changes:

- Based on the mitigating controls, the risk ratings for O2, O3 and T5 were reduced;
- The risk rating for O7 (Data Protection & Cyber Security) was increased, taking the risk to a high risk. Despite increased resources for Information Governance at LPP, it was deemed that transitional IT arrangements and the relatively short deadline for the implementation of the new GDPR regulation, warranted the increase;
- The risk rating for I5 (Cash-Flow Management) has remained the same at a rating of medium (4). The Investment Panel with the support of LPP have reviewed the Investment Strategy with specific measures to mitigate this risk.

The current 'high' risks are as follows:

- Investment & Funding Risk – I2, and I3;
- Member Risk – none;
- Operational Risk – O4 and O7;
- Transition Risk – T1, T2, T3, T4 and T5

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 Lancashire Local Pension Board provide scrutiny and support to the Pension Fund Committee, in relation to their responsibility to ensure there is effective risk management over the Pension Fund 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