

PENSION FUND COMMITTEE – 10 JUNE 2016

RISK REGISTER

Introduction

1. At their meeting on 11 March 2016, the Committee received a copy of the latest risk register for the Fund, and agreed that it should form a standard item for each quarterly meeting. This report therefore sets out any progress on the mitigation actions agreed for those risks not yet at target, and identifies new risks which have arisen since the initial register was produced.
2. The register has also been updated to identify where risks impact on the Fire Service Pension Scheme as well as the Local Government Pension Scheme.

Progress since March Committee

3. The March risk register was the first produced in the new format, which introduced the concept of a target level of risk and the need to identify mitigation action plans to address those risks that were currently not at their target score. Many of the action plans were focused on long term improvements, and no significant movement has been completed in the last quarter.
4. We have though been recently issued with the Internal Audit report on the administration of the Fund and this has confirmed that the majority of controls are in place and robust. One further action on separation of duties regarding pension's payroll has been agreed.
5. Under risk 7, we have held an initial meeting with the Actuary to develop our work on protecting the fund from the risk of employer default. We have also progressed our work at reviewing the processes to escalate late employer returns.
6. The only risk where the risk score has moved since the March score is risk 10 in respect of insufficient resources to deliver our responsibilities under the Regulations. The likelihood of the risk has been amended from unlikely to possible in light of the potential impact of the vacation of Unipart House, and the consequential move for the Pension Services Team. A full report on this risk is included under the next agenda item.
7. A new risk has also been added to the risk register as risk 17. This risk covers a significant change in the liability profile or cash flow as a consequence of structural change. The risk was added in light of the Unitary Authority debate, though the greatest risk associated with the cross county border proposal

developed by the District Councils no longer standing in light of the withdrawal of the option. Risks remain though where structural changes lead to transfers out of significant staff numbers, whether to an LGPS Fund outside of Oxfordshire, or a non-LGPS fund, including Health. The key mitigation actions involve greater involvement with the employers in respect of any structural discussions.

RECOMMENDATION

8. **The Committee is RECOMMENDED to note the current risk register, and confirm their wish for quarterly updates.**

Lorna Baxter
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May 2016