

PENSION FUND COMMITTEE – 4 MARCH 2022

RISK REGISTER

Report by the Director of Finance

RECOMMENDATION

- 1. The Committee is RECOMMENDED to note the changes to the risk register and accept that the risk register covers all key risks to the achievement of their statutory responsibilities, and that the mitigation plans, where required, are appropriate.**

Introduction

2. Previously, the Committee has agreed that the risk register should form a standard item for each quarterly meeting. A copy of the report also goes to each meeting of the Pension Board for their review. Any comments from the Pension Board are included in their report to this meeting.
3. The risk register sets out the current risk scores in terms of impact and likelihood, and a target level of risk and a mitigation action plan to address those risks that are currently not at their target score. This report sets out any progress on the mitigation actions agreed for those risks not yet at target and identifies any changes to the risks which have arisen since the register was last reviewed.
4. A number of the mitigation plans are directly linked to the key service priorities identified in the Annual Business Plan. This report should therefore be considered in conjunction with the business plan report elsewhere on this agenda.

Comments from the Pension Board

5. At their meeting on 21 January 2022, the Pension Board considered the latest risk register and recommended that reference be made to the Cyber Security Policy as part of the mitigation for Risks 16 (Loss of Key systems) and Risk 17 (Breach of Data Security). These amendments have been made in the current draft.

Latest Position on Existing Risks/New Risks

6. There are four Amber risks on the current risk register. Three of these remain from the last quarter with one risk re-stated as Amber. Two risks have seen sufficient improvement to be deemed to be now at target and moved from Amber to Green Status. The detail of these is as follows.

7. The risk which has been re-stated from Green to Amber is Risk 15 in respect of the skills and knowledge of the officers working across the LGPS and Fire-Fighters Pension Schemes. The increase in level of risk reflects the increased level of resources required to deliver the proposed business plan elsewhere on the agenda, and whilst it is proposed to make the necessary budget provision to fund the additional staff, at this stage there remains the risk that we will be unable to find sufficient people to take on all the new roles.
8. The three risks that have remained as Amber are Risk 13 - the skills and knowledge of this Committee to effectively undertake their statutory responsibilities, Risk 14 – the equivalent risk in respect of Pension Board Members, and Risk 21 in respect of remedying the age discrimination issues identified through the McCloud case. In respect of Risk 13, it should be noted that whilst still Amber, the risk has potentially increased as a result of changes to two of the five voting members agreed by Council in February, including the loss of one of the more experienced members of the Committee.
9. The status of Risk 22 which relates to the risk of legal challenge in respect of age discrimination in the fire-fighters pension scheme has been amended to Green to reflect the recent decision to implement the Immediate Detriment Framework as far as we are able. Whilst risks remain (see report of the decision elsewhere on today's agenda), it is now seen as unlikely that Oxfordshire will be named in any future cases brought by the Fire Brigades Union as we are taking positive action to remedy the position.
10. The status of Risk 23 has also been moved to Green. The risk of loss of strategic direction for the Fund has been mitigated by the implementation of all recommendations from the Independent Governance Review undertaken by Hymans Robertson and in particular the successful business planning workshop held on 4 February which confirmed the strategic direction of the Fund and the key priorities for 2022/23 (subject to approval of the Business Plan today).
11. As noted above, the only other change this quarter to the Risk Register is to add the Cyber Security Policy to the mitigations for Risks 16 and 17. A report will be brought to a future meeting of this Committee to review the current policy and report on the outcome of the annual disaster recovery and security breach tests.

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February 2022