



Pension Board
25 March 2024

**Report from the Corporate Director,
Finance and Resources**

Brent Risk Register

Wards Affected:	N/A
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	2: Appendix 1 – Risk Register Appendix 2 – Risk Strategy
Background Papers:	
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1.0 Executive Summary

1.1 This report presents the updated Risk Register for the Brent Pension Fund Pensions Administration Service

2.0 Recommendation(s)

2.1 The board is asked to note the overall report including the key changes set out in section 3.2.4.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

3.2 Background

3.2.1 Effective risk management is the foundation of sound corporate governance and the focus should be on all aspects of the pension scheme's operation, not just investment matters. Having a strategy and register in place is a way for the scheme manager to identify and manage scheme risks and it is considered good practice to have a strategy and register in place alongside established reporting mechanisms.

3.2.2 It is recognised that risk management works well when the administering authority, the Pension Board and employers work together. All parties then understand each other's capacity and appetite for risk. Key elements of this strategy were discussed at a working party set up with the scheme manager, administrator and select employers for feedback and comment. The current Risk Strategy is attached to this report in Appendix 2 and it is proposed to review this later this year.

3.2.3 It has been agreed in previous Board meetings that the Risk Register would become a standing agenda item at these meetings, with new risks and any changes to classifications of risks being reported to the Board.

3.2.4 Key changes to the Risk Register:

Item 5.6 - This risk has receded as Civica has addressed several software issues relating to McCloud and enhanced UPM's functionality.

Item 8.2 - This risk has increased slightly as Knowledge and understanding is a key topic in the Pension Regulator's (tPR) Single Code, which comes into force on 27 March. However, it has been partially mitigated by the Fund rolling out e-learning to all Board and Committee members.

Item 8.6 - The Pension Fund Sub Committee has taken positive steps to mitigate this risk by approving revised Administering Authority discretions and a template of Employing Authority discretions for employers to populate.

Item 9.3 - The McCloud risk has increased slightly as its scope has expanded; however, this is partially mitigated by improvements in the remedy functionality of UPM.

3.2.5 There have been other changes made to the Risk Register at Appendix 1 to keep the document up to date. The changes are:

- Item 1.1 - Risk score updated
- Item 1.11 - Risk score updated
- Item 1.2 - Risk score updated
- Item 1.21 - Risk score updated
- Item 2.1 - Next review and comment updated
- Item 3.1 - Next review and comment updated
- Item 4.2 - Risk score updated
- Item 5.3 - Comment updated
- Item 5.6 - Risk score and comment updated
- Item 6.2 - Description updated
- Item 6.5 - Comment updated
- Item 8.2 - Comment updated
- Item 8.6 - Comment updated
- Item 9.3 - Risk description and outline, control and comment updated
- Item 9.7 - Risk score and comment updated

3.2.6 The Board is asked to notify the scheme manager if it disagrees with any of these classifications and present any new risks that they would like to be considered.

3.2.7 The revised Risk Register is attached at Appendix 1 and it is proposed to present any changes or updates to this document to the Pension Board at every meeting.

4.0 Stakeholder and ward member consultation and engagement

5.1 This is not applicable for this report.

5.0 Financial Considerations

6.1 There are no specific financial implications relating to this report.

6.0 Legal Considerations

7.1 There are no specific legal implications relating to this report.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

8.1 There are none directly arising from this report.

8.0 Climate Change and Environmental Considerations

9.1 There are none directly arising from this report.

9.0 Human Resources/Property Considerations (if appropriate)

10.1 There are none arising directly from this report.

10.0 Communication Considerations

11.1 This is not applicable to this report.

Report sign off:

Minesh Patel

Corporate Director, Finance and Resources