

	Pension Board 24 March 2022
	Report from the Director of Finance
Brent Risk Register	

Wards Affected:	N/A
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	Two 1) Appendix 1 – Risk Register 2) Appendix 2 – Risk Strategy
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Minesh Patel, Director of Finance Ravinder Jassar, Deputy Director of Finance Flora Osiyemi, Head of Finance Sawan Shah, Senior Finance Analyst Rubia Jalil, Finance Analyst

1.0 Purpose of the Report

- 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 3.5.

3.0 Background

- 3.1 Effective risk management is the foundation of sound corporate governance and for the LGPS the focus should be on all aspects of the 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 Using guidance from The Pensions Regulator and CIPFA, together with Brent's internal risk management resources, a process was undertaken in 2018 to produce a risk management strategy that was unique to Brent's circumstances. This involved a workshop that identified all of the relevant risks, assessed those risks in terms of likelihood, understanding risk management and contingency planning, monitoring risks and documentation in a register.
- 3.3 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 recent working party set up with the scheme manager, administrator and select employers for feedback and comment. The Risk Strategy is attached to this report in Appendix 2.
- 3.4 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.
- 3.5 Key changes to the Risk Register:
- A new risk has been added under item 5.7 to capture the risk of issues related to data migration from Altair into Civica UPM undertaken by LPP. Overall, the risk is identified as low to medium, the likelihood of the risk is low due to the controls in place and the score of the risk is 24.
 - A new risk has been added under item 9.2 to capture the impact of the exposure of the Brent Pension Fund to Russian, Ukrainian and Belarusian assets. Given the low exposure there is minimal risk of significant financial detriment to the Fund from direct exposure therefore the impact has been scored as one, giving an overall score of 10.
- 3.6 There have been other changes made to the Risk Register at Appendix 1 to keep the document up to date. The changes are:
- Item 5.2 – Record Keeping Planning - the risk remains as low - medium, the likelihood of the risk has changed from 5 to 3, the impact has changed from 10 to 7 and the overall score of the risk has changed from 50 to 21;
 - Item 5.5 – Impact of Coronavirus (COVID-19) - the risk has changed from medium - high to medium - low, the likelihood of the risk has changed from 10 to 8, the impact has changed from 7 to 4 and the overall score of the risk has changed from 70 to 32;
 - Item 5.6 – Transfer of LPP Administration System from Heywoods to Civica - updated comments;
 - Item 9.4 – Exit Pay Reforms - updated comments;
 - Item 9.6 – Pension Plan Accounting - updated comments.
- 3.7 The Board is asked to notify the scheme manager if it disagrees with these classifications and present any new risks that they would like to be considered.
- 3.8 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 Financial Implications

4.1 There are no specific financial implications associated with this report.

5.0 Legal Implications

5.1 None arising directly from this report

6.0 Equality Implications

6.1 None arising directly from this report

7.0 Consultation with Ward Members and Stakeholders

7.1 Not applicable for this report.

8.0 Human Resources/Property Implications (if appropriate)

8.1 None arising directly from this report

Report sign off:

Minesh Patel
Director of Finance