

	Pension Board 22 March 2023
	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: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	Two Appendix 1 – Brent Risk Register March 2023 Appendix 2 – Brent Risk Management Strategy
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Minesh Patel Corporate Director Finance & Resources 020 8937 4043 (minesh.patel@brent.gov.uk) Ravinder Jassar, Deputy Director of Finance 020 8937 1487 (ravinder.jassar@brent.gov.uk) Sawan Shah, Head of Pensions 020 8937 1955 (sawan.shah@brent.gov.uk)

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 in relation to inflation being significantly higher than expected has been added – item 9.7.
- 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 1.21 - Operational Disaster Recovery Plans LPP – update to comment;
 - Item 2.1 – LPP Financial Standing – update to the comment;
 - Item 5.7 – Transfer of LPP Administration System from Heywoods to Civica – Update to comment following move to UPM.
 - Item 5.7 – Data Migration – Update to comment following move to UPM. - the likelihood of the risk has changed from 2 to 1, and the overall score of the risk has changed from 16 to 8;
 - Item 6.4 – Year End Return – add training sessions to the control and update to the comment;
 - Item 9.11 and 9.12 – The Fund's Assets Insufficient to Meet Long Term Liabilities - update to the comment to reflect 2022 valuation;
 - Item 9.6 – Pension Plan Accounting - update to the comments to reflect delay in signing the Council's accounts for 2021/22;
 - Item 9.6.1 and Item 9.6.2 – Pension Plan Accounting - update to the comment to reflect 2022 valuation;
 - Next review dates are continually updated.
- 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

Corporate Director Finance and
Resources