

**LOCAL PENSION COMMITTEE – 10<sup>TH</sup> NOVEMBER 2017****REPORT OF THE DIRECTOR OF CORPORATE RESOURCES****RISK MANAGEMENT AND INTERNAL CONTROLS****Purpose of the Report**

1. The purpose of this report is to seek the Committee's approval of an updated risk register for the Pension Fund. The register has been updated to include more detailed information in respect of financial risks in respect of the investments of the Fund.

**Background**

2. In April 2015 The Pension Regulator (TPR) published its code of practise on governance and administration of public service pension schemes. This introduced a number of areas pension administrators needed to record and members be kept aware of.
3. One area within the code is risk, more specifically 'risk management and internal controls', which the code states should be a standing item on each Pension Board and Pension Committee agenda.
4. The Leicestershire Fund already manages risk and has a risk register in place that is regularly reviewed by officers and is presented to the Local Pension Board annually. Internal and external audit also consider risks within Pensions and Investments and highlight any risk concerns. However, in order to comply with the code the Director of Finance has agreed to have this as a standard item on the agendas of both the Local Pension Committee and the Local Pension Board. It is now felt appropriate to amend the way in which the information is displayed in order to show the investment risks in a more granular manner and this is the main reason behind the expansion of the specific risks shown.
5. Until now the risk management and internal controls report has not appended a copy of the risk register and it has been the intention of the report to merely highlight any identified risks that were felt to be meaningful and relevant at the time of the report. No risks have ever been highlighted to the Local Pension Committee or Board.
6. In the future it is intended that this report will continue to highlight any meaningful risks, and the full risk register will also be appended to the report to allow members the ability to ask questions about the current situation in respect of any of the risks highlighted.

**Revised Risk Register**

7. The proposed new risk register is attached as an appendix to this report. Items up to, and including, number six remain unchanged. The remainder of the risks are new and relate specifically to investment risk.

**Identified Risks of Concern**

8. There are currently no identified risks of concern

**Recommendation**

9. The Local Pension Committee is asked to approve the revised risk register of the Pension Fund.

**Appendix**

10. Risk Register

**Equality and Human Rights Implications**

11. None specific

**Officers to Contact**

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