



## **LOCAL PENSION BOARD**

**18 JUNE 2018**

### **REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

#### **RISK MANAGEMENT AND INTERNAL CONTROLS**

##### **Purpose of the Report**

1. To inform the Board of the current Pension Fund risk register.

##### **Background**

2. At each of its meetings the Local Pension Board considers a report concerning risk management and internal controls as stipulated in the Pension Regulators Code of Practice.
3. The Leicestershire Fund already manages risk and this is recorded on the Fund's risk register. The risk register is regularly reviewed by officers and presented to the Board at each Board meeting. That latest version of the Pension Fund Risk register is attached as an appendix.
4. Internal and external audits highlight pension risks allowing the Pensions Manager to remedy these as necessary.
5. The Local Pension Committee approved the current risk register on the 25 May 2018.

##### **Identified Risks**

6. Risks on the risk register are scored based on impact and likelihood. There are two scores included for each risk. The first score (Current Risk Score) is before any further actions and additional controls are added, and the second score (Residual Risk Score) is after the additional controls and actions have been implemented. This is reflected in the table detailed on the Pension Fund Risk register.
7. The impact, is the severity of the failure to the Fund. This ranges from 1 (the lowest) to 5 (the highest).
8. The likelihood, is the possibility of the failure taking place. This ranges from 1 (the lowest) to 5 (the highest).

9. The impact and likelihood scores are multiplied for the total risk score and given a risk category of high (red – scores of 15 or over), medium (amber – scores between 7 and 14), green (low – scores of 6 or below).
10. Any risks with a current risk score below 15 are managed at service level. All pension risks are currently below 15.

### **Recommendation**

It is recommended that the Board notes the report.

### **Appendix**

Appendix – Pensions Risk Register May 2018

### **Officers to Contact**

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