



## **LOCAL PENSION COMMITTEE – 7 SEPTEMBER 2018**

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

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

##### **Purpose**

1. The purpose of this report is to inform the Committee of any concerns relating to the risk management and internal controls of the Pension Fund, as stipulated in the Pension Regulator's Code of Practice.

##### **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 need 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. Internal and external audit also consider risks within Pensions 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 both agendas.

##### **Risk Register**

5. The updated Risk Register is attached as an appendix to this report. A new risk relating to the transition of assets to LGPS Central (number 14) has been added to the register. This complements the existing risk (number 12) regarding pooling delivering higher investment returns.
6. Following the request by the Committee at the previous meeting the criteria for assessing the Impact and Likelihood of risks has been added to the register. The criteria is a replication of that used by the County Council, with the addition of financial criteria specifically for investment performance due to their significant value.

##### **Identified Risks of Concern**

7. There are currently no identified risks of concern.

**Recommendation**

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

**Appendix**

9. Risk Register

**Equality and Human Rights Implications**

10. None.

**Officers to Contact**

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