



## **LOCAL PENSION COMMITTEE – 28 FEBRUARY 2020**

### **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 changes relating to the risk management and internal controls of the Pension Fund, as stipulated in the Pension Regulator's Code of Practice.

##### **Background**

2. The Pension Regulator's (TPR) code of practise on governance and administration of public service pension schemes requires that administrators need to record and members be kept aware of 'risk management and internal controls'. The code states this should be a standing item on each Pension Board and Pension Committee agenda.
3. In order to comply with the code, the risk register and an update on supporting activity is included on each agenda.

##### **Risk Register**

4. The updated Risk Register is attached as an appendix to this report. Progress updates have been made to the following risks:
  - Risk 13 - Utilisation of dedicated Responsible Investment (RI) team at LGPS Central and preparation of a RI plan for the fund.
5. The following risks have also been added to the risk register:-
  - Risk 4 - A new risk relating to cyber security has been added to the risk register following the Pension Regular's deep dive into Pension Fund administration.
  - Risk 5 - Introduction of IConnect and statutory deadlines – The on boarding of monthly posting for Leicester City and De Montfort University via IConnct could impact on year-end statutory deadlines, given the size and timing of these two employers.
  - The reintroduction of Risk 6 - The Pensions Section has agreed with the three Fire Authorities to extend the administration to the 31 December 2020. It was initially planned to end the administration on 31 March 2020. The

extension has been agreed on a reduced service and with all parties aware it brings with it risks, as detailed on the risk register.

### **Identified Risks of Concern**

6. There are currently no identified risks of concern.

### **Recommendation**

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

### **Appendix**

Risk Register

### **Equality and Human Rights Implications**

None.

### **Officers to Contact**

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