



## LOCAL PENSION COMMITTEE – 19 JUNE 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 practice 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. A number of risks have been updated to reflect risks arising from COVID-19:

**Risk 2** - To reflect that statutory deadlines may not be met for annual benefit statements and pension taxation saving statements as some employers have closed and may be unable to provide year-end information.

**Risk 5** – That the tender for the Fire-fighter pensions administration may be delayed.

**Risk 7** – That COVID-19 may reduce some employer's incomes so they are unable to make payment. Communication with large commercial employers with a view to early view of funding issues.

**Risk 10** – That if market investment returns are consistently poor it would cause upward pressure onto employer contribution rates. It is important to note that deductions in investment asset values are a natural part of investing. The Fund benefits from a diversified portfolio and ability to take a long term view. During such

volatile market conditions, the Fund maintains regular contact with its investment managers, LGPS Central and Hymans Robinson.

5. The risk relating to the system implementation project has been completed and removed from the 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**

Appendix - Risk Register

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

None

### **Officers to Contact**

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