



## **LOCAL PENSION BOARD – 10 AUGUST 2020**

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

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

##### **Purpose**

1. The purpose of this report is to inform the Board 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

Risk 1 - Has been expanded to make it more explicit, if Guaranteed Minimum Pension (GMP) data is incorrect it can impact on the Pensions Increased (PI) received by pensioners.

Risk 6 – The McCloud risk has been expanded to include the cost cap. This had previously been paused whilst the McCloud remedy was initially being considered.

Risk 7 – A new risk has been added; Contributions bandings and contributions not applied correctly, could both impact on the income expected to be received by the Fund. This is included in the Fund's internal audit plan.

Risk 8 – A new risk has been added; If immediate payments are not applied correctly, scheme members one off payments could be wrong. The Fund has recently taken on the responsibility for processing one off payments and this is included in the Fund's internal audit plan.

**Identified Risks of Concern**

5. There are currently no identified risks of concern.

**Recommendation**

6. Members are asked to note the latest risk register of the Pension Fund.

**Appendix**

Appendix - Risk Register

**Equality and Human Rights Implications**

None

**Officers to Contact**

Mr D Keegan, Assistant Director Strategic Finance and Property  
Tel: 0116 305 7668      Email: [Declan.Keegan@leics.gov.uk](mailto:Declan.Keegan@leics.gov.uk)

Mr I Howe, Pensions Manager, Corporate Resources  
Tel: 0116 305 6945      Email: [Ian.Howe@leics.gov.uk](mailto:Ian.Howe@leics.gov.uk)