

**Report to:** Pension Committee

**Date of meeting:** 1 March 2021

**By:** Chief Finance Officer

**Title:** Pension Fund Risk Register

**Purpose:** To consider the Pension Fund Risk Register

---

## **RECOMMENDATIONS:**

**The Pension Committee is recommended to review and note the Pension Fund Risk Register**

---

### **1. Background**

1.1. Risk management is the practice of identifying, analysing and controlling in the most effective manner all threats to the achievement of the strategic objectives and operational activities of the East Sussex Pension Fund (the Fund). It is not a process for avoiding or eliminating risks. A certain level of risk is inevitable in achieving the Fund objectives, but it must be controlled.

1.2. Effective risk management is an essential part of any governance framework as it identifies risks and the actions required to mitigate their potential impact. For a pension fund, those risks will come from a range of sources, including the funding position, Local Government Pension Scheme (LGPS) Pooling, General Data Protection Regulation (GDPR), investment performance, membership changes, benefits administration, costs, communications and financial systems. Good information is important to help ensure the complete and effective identification of significant risks and the ability to monitor those risks.

### **2. Supporting information**

2.1. The Risk Register is included as **Appendix 1**.

2.2. As requested at Pension Committee on 30 November 2020, the Risk Register has been rewritten to ensure that risks are reported to show mitigations are in place and bring risks down to an appropriate level of risk. If the risk level remains red after mitigation the risk register should show that further actions will be put in place or a risk is accepted by the Committee as tolerated if the risk remains high and no further action is possible.

2.3. As a result of the changes made to the risk register all risks are now reworked and effectively new for the purposes of this Pension Committee meeting.

### **Assessment of Risk**

2.4. Risks are assessed in terms of the potential impact or damage of the risk event should it occur, and in terms of the likelihood of it occurring. These are then combined to produce an overall risk score.

2.5. Further risks are likely to arise from future decisions taken by the Pension Committee, ACCESS Joint Committee, and from changes in legislation and regulations. Where such new risks arise, they will be added to the risk register, assessed, and mitigation actions identified.

2.6. There are currently 16 risks being reported within the register. Whilst there are many more risks which could be identified within the Fund, the risks identified in the register are the most significant and actively managed risks the Fund faces.

2.7. Each risk has been identified with potential triggers for the risks with possible consequences from those events. The risk is then measured by the interaction of the likelihood of occurrence and the potential impact or damage that could be borne by the Fund before the mitigating actions that are in place and then again post mitigation. After mitigating actions there are currently no risks rated as Red.

2.8. COVID-19 risk is no longer shown as a separate risk but as an increasing risk factor on several of the key risks within the fund as the pandemic increases the likelihood of some failures occurring due to resources or employer liquidity positions.

### **3. Conclusion and reasons for recommendations**

3.1 The Pension Committee is recommended to review and discuss the revised risk register in light of the changes since the last meeting.

**IAN GUTSELL**  
**Chief Finance Officer**

Contact Officer: Sian Kunert, Head of Pensions  
Tel. No. 07701394423  
Email: [sian.kunert@eastsussex.gov.uk](mailto:sian.kunert@eastsussex.gov.uk)