

Bath & North East Somerset Council		
MEETING:	LOCAL PENSION BOARD - AVON PENSION FUND	
MEETING DATE:	6 December 2024	AGENDA ITEM NUMBER
TITLE:	Risk Management Update – Risk Register	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 – Risk Register Appendix 2 – Risk Register – Framework & High level summary		

1.

THE ISSUE

- 1.1. The purpose of this report is to update the Pension Board with the quarterly review of the risk register.

2.

RECOMMENDATION

- 2.1. That the Board notes the report.

3.

FINANCIAL IMPLICATIONS

- 3.1. There are no direct implications related to the Pension Board in connection with this report.

4.

REPORT – RISK MANAGEMENT PROCESS & RISK REGISTER

- 4.1. The Fund has in place a documented risk management policy setting out the Fund’s approach to risk, process for review, and update of the risk register. It also sets out the roles and responsibilities of those involved in management of risk including the role of the Pension Board and Pension Committee.
- 4.2. The risk framework introduced to assist risk owners to assess the risk and score. This is attached as appendix 2.
- 4.3. Following feedback from Pensions Committee and Pension Board members, pre mitigation scores have also been added to the risk register.
- 4.4. A high level matrix showing the distribution of risks by score is attached as appendix 2.
- 4.5. The complete risk register is attached as appendix 1.
- The risk register identifies risks which could have material impact on the APF in terms of service, value, reputation, or compliance. It sets out mitigating actions.

- The risk register is reviewed quarterly by APF management and reported to the Pension Committee and Pension Board every quarter.
- All risks are also reviewed quarterly or when there has been a material change.
- Risks fall into the following categories, owned by the relevant member of the APF management team:

Category of Risk	Risk Owner
Administration	Pensions Manager
Regulatory	Technical & Compliance Advisor
Governance	Governance & Risk Advisor
Employers (Funding)	Funding & Valuation Manager
Employers (Data)	Employer Services Manager
Investments	Investments Manager
Finance	Finance & Systems Manager

5. QUARTERLY REVIEW OF RISK REGISTER

5.1. The quarterly review of the risk register has taken place and the changes are as follows:

- NR04 – Governance of the Fund - wording has been reverted to reflect the wider governance risks rather than just the recent focus on internal controls. Based on recent audits and the review of controls no systemic failures have been identified and therefore the risk has been amended from high impact and likely to medium impact and possible.

5.3. The top three risks are now:

- NR06 – the likelihood of a cyber-attack remains a high risk due to the recent high-profile attacks in the public domain. The Fund is in the process of carrying out a review of its business continuity plan. The fund is planning to move its admin system to a Heywood hosted solution and appropriate data protection and cyber assessments are being carried out.
- NR01 – Poor service levels below agreed standards. The current factors impacting this risk are set out in item 03 – Pension Fund Administration report. The risks associated with the implementation of the controls review are now reflected in this risk.
- NR05 – Failure to manage personal data per regulations. The volume of personal data the Fund manages in day-to-day processing keeps this risk high on the register. Within the Operations Teams process changes are planned including removing duplication of checking and bulk processing. Whilst these are welcome changes we note that additional data protection assessments will be required.

6. EQUALITIES

6.1. A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

7. CLIMATE CHANGE

7.1. The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint in line with the Council's Climate Strategy. The Fund acknowledges the financial risk to its assets from climate change and is addressing this through its strategic asset allocation to Paris Aligned Global Equities, Sustainable Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Pensions Committee.

8. CONSULTATION

8.1. The Report and its contents have been discussed with the Head of Pensions representing the Avon Pension Fund and the Director of Financial Services, Assurance & Pensions representing the administering authority.

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Background papers	
Please contact the report author if you need to access this report in an alternative format	