

Subject	Updated Risk Register	Status	For Publication
Report to	Local Pension Board	Date	28 th April 2022
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
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1 **Purpose of the Report**

- 1.1 To provide members of the Board with the opportunity to review the updated risk register which supports the new corporate strategy.
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2 **Recommendations**

- 2.1 Members are recommended to:
- a. Note and comment upon the revised risk register.**
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3 **Link to Corporate Objectives**

- 3.1 This report links to the delivery of the following corporate objectives:

Customer Focus

To design our services around the needs of our customers (whether scheme members or employers).

Listening to our stakeholders

To ensure that stakeholders' views are heard within our decision making processes.

Investment Returns

To maintain an investment strategy which delivers the best financial return, commensurate with appropriate levels of risk, to ensure that the Fund can meet both its immediate and long term liabilities.

Responsible Investment

To develop our investment options within the context of a sustainable and responsible investment strategy.

Scheme Funding

to maintain a position of full funding (for the fund as a whole) combined with stable and affordable employer contributions on an ongoing basis.

Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times.

Valuing and engaging our Employees

To ensure that all our employees are able to develop a career with SYPA and are actively engaged in improving our services.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report address the entirety of the risk landscape facing the Authority.

5 Background and Options

- 5.1 At the Board's last meeting it was explained that as part of the process of creating the new Corporate Strategy a fundamental rebasing of the Corporate Risk Register had been undertaken. Following the approval of the new Corporate Strategy and the associated risk register this register (at Appendix A) is now being presented to the Board. Any comments from the Board will be reflected on in the first detailed review of this register which will be presented to the Authority in September as part of the Quarter 1 review.
- 5.2 Many of the risks contained in the "new" register are either identical or similar to those included previously. Given that the nature of the organisation and its functions and the broader environment have not changed this is inevitable. However, the scores attached to risks have changed, with for example the current risk score around volatility in financial markets increasing significantly partly as a result of the instability caused by the war in Ukraine but also due to the impact of a higher base level of inflation within the economy which impacts the level of nominal return required to maintain full funding. Broadly there has been an upward drift in risk scores reflecting changes in the external environment rather than any weakening in mitigation or the broader control environment within the organisation.
- 5.3 Given that any assessment process of this sort involves a degree of subjectivity there is not likely to be a "right" answer as to the overall level of risk facing the Authority. The key takeaway from the process that has resulted in the rebased register is that the level of risk facing the organisation has broadly increased. Given what we see in our own lives this should not come as a particular surprise.
- 5.4 The Board are asked to review the Risk Register and in particular to consider whether any significant areas of risk are not captured.

6 **Implications**

6.1 The proposals outlined in this report have the following implications:

Financial	None directly from this report but mitigation of individual risks will have implications.
Human Resources	None directly from this report but mitigation of individual risks will have implications.
ICT	None directly from this report but mitigation of individual risks will have implications.
Legal	None directly from this report but mitigation of individual risks will have implications.
Procurement	None directly from this report but mitigation of individual risks will have implications.

George Graham

Director

Background Papers	
Document	Place of Inspection