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| Subject | Risk Register Update | Status | For Publication |
| Report to | Local Pension Board | Date | 27 April 2023 |
| Report of | Director | | |
| Equality Impact Assessment | Not Required | Attached | Na |
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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 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 all the corporate objectives because the corporate risk register is focussed on assessing and managing the range of risks to the organisation in meeting any of these 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 The Board's workplan requires it to regularly review the Authority's Corporate Risk Register. The latest version of the Register, which was considered by the Authority at its meeting on 16th March 2023, is at Appendix A.

- 5.2 Commentary is provided within Appendix A that outlines details relating to each risk, setting out the mitigations currently in place, and the results of the latest review including the reasoning, where relevant, for not changing the scores.

- 5.3 The assessment resulted in a reduction to the score of the following risks:

G1 Governance - Failure of members of the Authority to maintain adequate levels of knowledge and understanding.

Score reduced from 12 to 9

G2 Governance – Failure of members of the Local Pension Board to maintain adequate levels of knowledge and understanding.

Score reduced from 9 to 6

The rationale for these reductions is set out at Appendix A.

- 5.4 The latest review also identified two new risks that have been added to the register:

P2 People – Reduced levels of technical knowledge and senior management capacity during period of vacancy.

This is a new risk and has a high risk score of 20 (red). An interim Senior Manager focussed on delivering key pieces of work has been appointed. In addition, a robust recruitment process will be set up and delivered as soon as practical including use of executive search.

O5 Operational - Change to the CARE Revaluation date to bring it in line with the tax year.

This is a new risk and has a high risk score of 20 (red). The Director is inputting to the LGA response to consultation on change of revaluation date highlighting the regulatory and reputational impacts of this risk materialising. Further mitigation includes the identification of additional resources and/or workarounds to ensure delivery of statutory obligations.

- 5.5 The implementation of the new Pentana risk management system is progressing well. The system development programme and training plan has been agreed with the supplier, *Ideagen*, and key teams have allocated time and resources to ensure data is collated in good time to meet the various milestones. The system is scheduled to go live at the end of August 2023.
- 5.6 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:

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| 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 | |
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| Document | Place of Inspection |
| None | N/A |