

# Warwickshire Local Pension Board

26 April 2022

## Risk Monitoring

### Recommendation

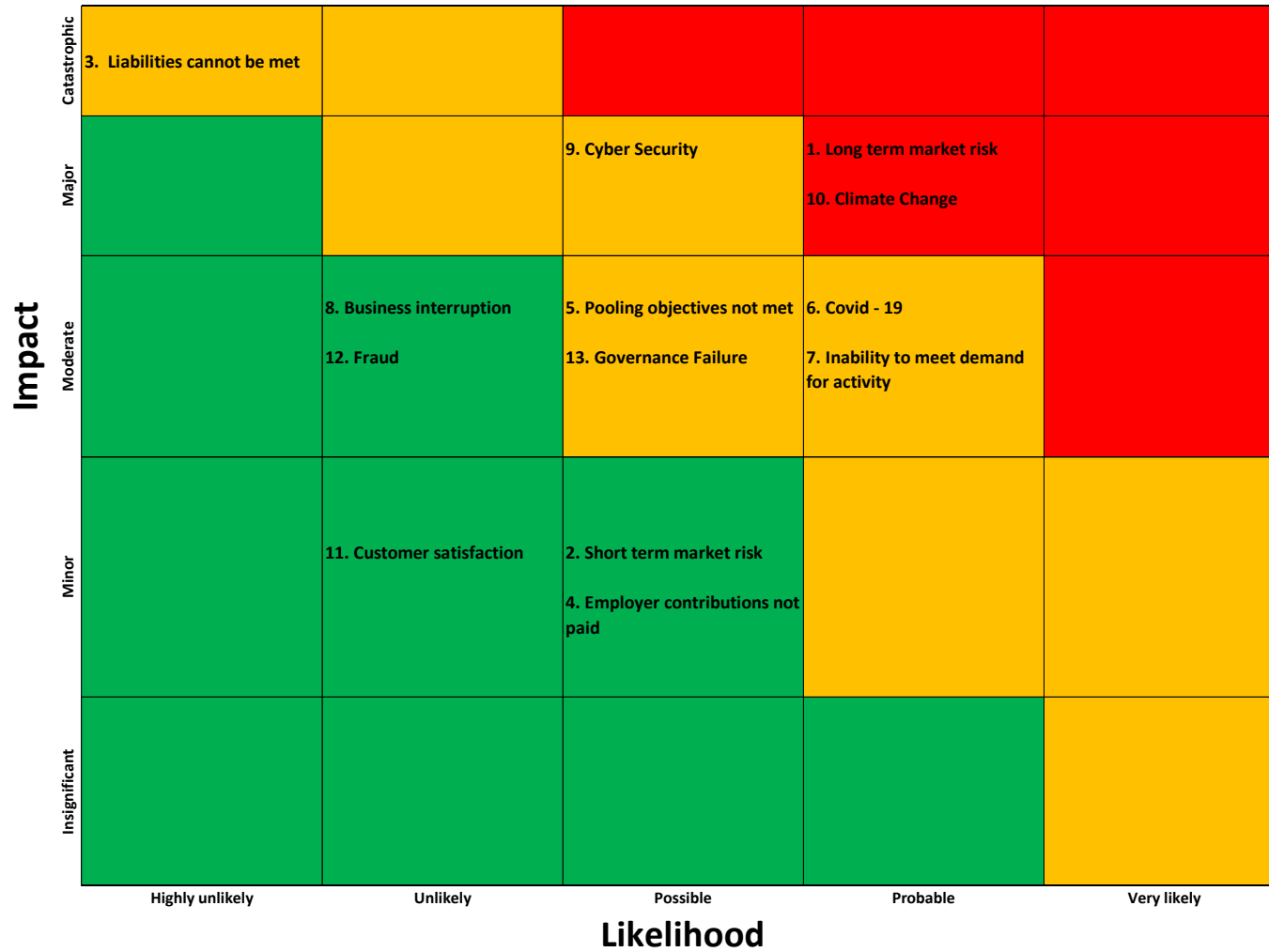
That the Local Pension Board notes and comments on the report.

### 1. Executive Summary

- 1.1 This report provides an update on the risks facing the Fund and management actions to address them.
- 1.2 The Fund's risk appetite is provided for reference in Appendix 1. In summary the Fund has a relatively higher appetite for risk in respect of certain investment objectives where exposure to risk is required in order to access exposure to certain investment outcomes, and has a lower appetite for risk for example in terms of regulatory, data, and administration matters.
- 1.3 Fund officers have reviewed the risks facing the Fund and have updated the risk register with actions and revisions as appropriate. Appendices 2 and 3 reproduce the criteria for scoring risks, Appendix 4 provides an updated risk register. Any new updates to the commentary in the risk register since the previous report to the Investment Sub-Committee are presented in red font, and where future actions have become current actions these are highlighted in green font.
- 1.4 The risk scores have remained the same since the previous report to the Local Pension Board.
- 1.5 Management action updates include:
  - i.) Activities to increase capacity: tendering for the second independent investment - this post has now been filled.
  - ii.) Inability to meet demand for activity: Investing in systems development and systems thinking.
  - iii.) Pooling objectives not met: Documentation of the Fund's position on product developments.
- 1.6 The net risks facing the Fund after having regard to existing management actions are summarised in Chart 1 on the following page.

Chart 1 – Net Risk Summary

## Risk Map



## 2. Financial Implications

2.1 None.

## 3. Environmental Implications

3.1 Climate risk is identified as a key risk (Risk 10).

## 4. Supporting Information

4.1 None.

## 5. Timescales associated with the decision and next steps

5.1 This iteration of the risk register will also be reported to the next Local Pension Board for review.

## Appendices

1. Appendix 1 – Risk Appetite
2. Appendix 2 – Risk Scoring Convention and Likelihood Definitions
3. Appendix 3 – Risk Impact Definitions
4. Appendix 4 – Risk Register

## Background Papers

1. None.

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The report was circulated to the following members prior to publication:

Local Member(s): n/a

Other members: n/a