

# Croydon Council

<b>REPORT TO:</b>	<b>Pension Committee</b> <b>12 March 2019</b>
<b>SUBJECT:</b>	<b>Review of the Risk Register</b>
<b>LEAD OFFICER:</b>	<b>Nigel Cook Head of Pensions and Treasury</b>
<b>CABINET MEMBER</b>	<b>Councillor Simon Hall</b> <b>Cabinet Member for Finance and Resources</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b> Sound Financial Management: This report forms an important component of the governance arrangements for the stewardship of the Pension Fund.	
<b>FINANCIAL SUMMARY:</b> Financial risks relating to the Pension Fund are substantial and can impact on the General Fund of the Council.	

## **1. RECOMMENDATIONS**

- 1.1 The Committee is asked to note the contents of the Pension Fund's Risk Register and to comment as appropriate.

## **2. EXECUTIVE SUMMARY**

- 2.1 It is recommended best practice for the Pension Committee to maintain a risk register. This report presents the current risk register for the Committee's consideration.

## **3 DETAIL**

- 3.1 Best practice recommends that a risk register is maintained by the Pension Committee recording all relevant risk scenarios, together with an assessment of their likelihood and impact and the appropriate mitigations. This report provides the Committee with a report covering risks relating to governance, funding, assets and liabilities, and operational risks.
- 3.2 The Committee is invited to comment upon whether it considers this list sufficiently exhaustive, whether the assessment of each risk matches its perception and to comment on the adequacy of future and existing controls.
- 3.3 The risk register will be reviewed periodically and brought back to the Committee
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for its consideration twice each annual cycle of meetings – the register was most recently reviewed in June 2018. Members will be familiar with the corporate risk register: this Pension Fund risk register is distinct from that document and an innovation in that previously the Committee has not had the opportunity to formally track risks relating to the Fund and Scheme in such a comprehensive manner.

- 3.4 The previously reported risk relating to the Markets in Financial Instruments Directive (MiFID II) exercise has been resolved and thus taken off this register. The risks relating to the London CIV are better understood and thus less likely. Specific risks relating to the Pension Fund investment portfolio are addressed within the Progress Report elsewhere on the Committee's agenda.
- 3.5 The register shows that there are 10 significant risks for the Scheme (i.e. scored 12 or higher). The register is appended to this report – it shows only those risks that are scored 12 or higher in the current year; risks are rated on a scale of 1 to 5 on likelihood and impact giving a range of potential scores between 1 and 25. Where a risk has been down-graded to below 12 it will be taken off this report. Similarly, new risks that are scored lower than the threshold noted above, do not feature on the register.

## **4 FINANCIAL CONSIDERATIONS**

- 4.1 There are no further financial considerations flowing from this report.

## **5. OTHER CONSIDERATIONS**

- 5.1 Other than the considerations referred to above, there are no customer Focus, Equalities, Environment and Design, Crime and Disorder or Human Rights considerations arising from this report

## **6. LEGAL CONSIDERATIONS**

- 6.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that there are no direct legal implications arising from the recommendations within the report and to the extent that the risk register itself presents matters which raise legal issues, specific advice will need to be sought from the Council's legal team as and when such matters arise.

(Approved by Sandra Herbert, Head of Litigation and Corporate law on behalf of the Director of Law and Governance and Deputy Monitoring Officer.)

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## **CONTACT OFFICER:**

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Resources department, ext. 62552.

## **BACKGROUND DOCUMENTS:**

### **Appendices**

#### **Appendix A: Risk Register (excerpt)**