

<b>REPORT TO:</b>	<b>Pension Committee</b> <b>14 March 2023</b>
<b>SUBJECT:</b>	<b>Review of Risk Register</b>
<b>LEAD OFFICER:</b>	<b>Matthew Hallett, Acting Head of Pensions and Treasury</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 Croydon Pension Fund (“Fund”).	
<b>FINANCIAL SUMMARY:</b> Financial risks relating to the Fund are substantial and can impact on the General Fund of the Council.	
<b>FORWARD PLAN KEY DECISION REFERENCE NO.:</b> N/A	

## **1. RECOMMENDATION**

- 1.1 The Committee is asked to note the contents of the Fund 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 covering the most significant risks faced by the Fund. This report presents the current register (Appendix A) for the Committee’s consideration.

## **3. DETAIL**

- 3.1 Best practice recommends that a risk register is maintained by the Pension Committee recording relevant risk scenarios, together with an assessment of their likelihood and impact and appropriate mitigations. This report discusses the most significant risks relating to governance, funding, assets and liabilities and operational matters. Appendix A details these risks.

- 3.2 The Committee is invited to comment on whether it considers this list sufficiently exhaustive and whether the assessment of each risk matches its perception on the adequacy of existing and future controls.
- 3.3 In accordance with the Risk Management Policy, the Risk Register is reviewed periodically and reported to the Committee on a quarterly basis.
- 3.4 Risks are rated on a scale of 1 to 5 on the likelihood of the risk occurring and its impact if it does. This allows a range of potential scores of between 1 and 25. The register shows that there are 19 risks on the main register with 15 being significant risks for the Fund (i.e. scored 10 or higher). With all of the planned future controls in place, the significant risks could be reduced to 4.
- 3.5 Since the Committee last reviewed the Register there have been two additional items added to the register. The first is risk number 22 relating to Conflicts of Interest and the second is risk number 23 relating to Climate Change.

The risk register is attached as Appendix A.

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

#### **4. CONSULTATION**

- 4.1 Officers have previously consulted with both the Pension Committee and Local Pension Board on the template for the Risk Register which forms the basis of Appendix A.

#### **5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 5.1 There are no direct financial considerations arising from this report. This report addresses risk

**Approved by:** Alan Layton on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

#### **6. LEGAL CONSIDERATIONS**

- 6.1 Burges Salmon LLP (a legal advisor appointed to the Fund) note there are no direct legal implications arising from the recommendations within this report.

#### **7. HUMAN RESOURCES IMPACT**

- 7.1 There are no direct workforce implications arising from the recommendations within this report. If any matters arise this will be managed under the appropriate Council policies and procedures

**Approved by:** Gillian Bevan, Head of HR, Resources and Assistant Chief Executives on behalf of Dean Shoesmith, Chief People Officer.

## **8. EQUALITIES IMPACT**

- 8.1 The Council has a statutory duty to comply with the provisions set out in the Sec 149 Equality Act 2010. The Council must therefore have due regard to:
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 8.2 Any risks to the investment fund are likely to impact on the age characteristic in relation to older workers. The council is 67.73% female and 32.27% male so women are more likely to be impacted by any investment risks.

**Approved by:** Denise McCausland – Equality Programme Manager

## **9. ENVIRONMENTAL IMPACT**

- 9.1 There are no environmental impacts arising from this report.

## **10. CRIME AND DISORDER REDUCTION IMPACT**

- 10.1 There are no crime and disorder impacts arising from this report.

## **11. DATA PROTECTION IMPLICATIONS**

- 11.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

**NO**

**Approved by:** Alan Layton on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

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**CONTACT OFFICER:**

Matthew Hallett, Acting Head of Pensions and Treasury

**BACKGROUND DOCUMENTS:**

None

**APPENDIX:**

Appendix A: Risk Register