

LONDON BOROUGH OF CROYDON

REPORT:	Pension Board	
DATE OF DECISION	25 July 2024	
REPORT TITLE:	Review of Risk Register	
CORPORATE DIRECTOR / DIRECTOR:	Jane West, Corporate Director of Resources (Section 151 Officer)	
LEAD OFFICER:	Matthew Hallett – Head of Pensions and Treasury	
CONTAINS EXEMPT INFORMATION?	NO	[Public]
WARDS AFFECTED:	N/A	

1. SUMMARY OF REPORT

- 1.1 This report presents the current Risk Register (in Appendix A) for the Pension Fund and highlights any changes made since the last review carried out at the Pension Board meeting held on 11 April 2024.

2. RECOMMENDATIONS

The Board is recommended:

- 2.1 To review and note the contents of the Pension Fund Risk Register.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure an accurate record of the Risk Register is kept helping demonstrate good governance and mitigate risks to the Fund.

4. BACKGROUND AND DETAILS

- 4.1 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.
- 4.2 The Board is invited to comment on whether it considers this list is sufficiently exhaustive and whether the assessment of each risk matches its perception on the adequacy of existing and future controls.

- 4.3** In accordance with the Risk Management Policy, the Risk Register is reviewed by officers and reported to Board periodically.
- 4.4** 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 16 risks on the main register with 8 being significant risks for the Fund (ie scored 10 or higher). When all of the planned future controls are in place, the significant risks could be reduced to 2.
- 4.5** Since the Board last reviewed the Risk register no new risks have been added, no risks have been removed and 9 risks currently numbered have been updated as follows:

Risk 1 has been updated to reflect that the funding positions of the admitted bodies have been assessed. None were identified as posing a risk to the Fund. The positions will be reviewed annually as part of existing controls. The risk score has decreased from 6 to 4.

Risk 2 has been updated as Officers now monitor the funding position on a quarterly basis as part of the existing controls. The Fund is now over 100% funded. The risk score has been changed from 8 to 4 to reflect the new control.

Risk 3- the future control has been updated as during the next valuation Officers will review the longer term cashflow and ensure the asset allocation is able to generate enough income to ensure the liquidity of the Fund. Score has remained at 3 as there is currently no risk to the liquidity in the short to medium term.

Risk 4 – the scoring has been reduced from 9 to 6 on existing controls and 6 to 4 on future controls, as the strength of current Funding position means the impact if this risk materialised will now not be as high.

Risk 5 has been amended to show progress made implementing the revised asset allocation.

Risk 7 and 8 – the future controls have been updated.

Risk 11 – the future control has been updated as Officers are working with the Fund's investment advisers to identify the Funds position on levelling up assets.

Risk 15 has been updated as the Fund now has a Conflicts of Interest policy and training has been provided to Board and Committee members. The risk score has been changed from 8 to 4.

5. CONSULTATION

- 5.1 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.
- 5.2 Where appropriate, Officers consult with the Fund's advisers when considering the risks associated with the Pension Fund.

6. IMPLICATIONS

- 6.1 There are no implications arising from this report other than those already mentioned.

7. APPENDICES

- 7.1 Appendix A: Pension Fund Risks Register.

8. BACKGROUND DOCUMENTS

- 8.1 None