

Croydon Council

REPORT TO:	Local Pension Board 5 July 2018
SUBJECT:	Review of Risk Register
LEAD OFFICER:	Nigel Cook Head of Pensions and Treasury
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT: Sound Financial Management: This report forms an important component of the governance arrangements for the stewardship of the Pension Fund.	
FINANCIAL SUMMARY: Financial risks relating to the Pension Fund are substantial and can impact on the General Fund of the Council.	
FORWARD PLAN KEY DECISION REFERENCE NO.: N/A	

1. RECOMMENDATIONS

- 1.1 To comment on the risks recorded on the risk register for the Pension Fund.

2. EXECUTIVE SUMMARY

- 2.1 It is recommended best practice for the Pension Committee to maintain a risk register. This report presents the current Pension Fund risk register for the Pension Board'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 Pensions Board with the full register covering risks relating to governance, funding, assets and liabilities, and operational risks.
- 3.2 The Board 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 An excerpt from the risk register (showing amber and red risks only) is reviewed periodically by officers and brought back to the Pensions Committee for its consideration twice each year – the register was most recently reviewed in December 2017 and June 2018. Members may 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 most recent updates to the register, apart from refreshing and updating the status of existing risks, are:
- Academies are much better at reporting on their staff;
 - Acknowledging the governance review;
 - Reflecting the S.13 GAD report;
 - The MiFID II exercise has been completed; and
 - In keeping with the recommendations of the Pensions Regulator, the risks around cyber security have been included here too.
- 3.5 The register shows that the most significant risks for the Scheme relate to cessation valuation debts not being paid; academies not paying contributions; and investments under-performing. The register is appended to this report: risks are rated on a scale of 1 to 5 on likelihood and impact giving a range of potential scores between 1 and 25.

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

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BACKGROUND DOCUMENTS: None

APPENDICES: **Appendix A:** Risk Register for the Pension Committee