

# Croydon Council

<b>REPORT TO:</b>	<b>PENSION COMMITTEE</b> <b>7 March 2017</b>
<b>AGENDA ITEM:</b>	<b>7</b>
<b>SUBJECT:</b>	<b>Risk Register</b>
<b>LEAD OFFICER:</b>	<b>Richard Simpson</b> <b>Executive Director of Resources</b>
<b>CABINET MEMBER</b>	<b>Councillor Simon Hall</b> <b>Cabinet Member for Finance and Treasury</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b> Sound Financial Management: Ensuring that the pension fund is being given appropriate guidance and direction through the governance of the Pension Committee.	
<b>FINANCIAL SUMMARY:</b> There are no direct financial consequences to this report. However the implications of decisions taken by this Committee can be significant for the Revenue Account of the Council.	
<b>FORWARD PLAN KEY DECISION REFERENCE NO.:</b> N/A	

<b>1 RECOMMENDATIONS</b>
1.1 That the Committee note and comment on the current Pension Fund risk register.

## **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**

### **Risk Register**

- 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 for its consideration twice each year – the register was most recently reviewed in December 2016. 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 main change to the register, apart from refreshing and updating the status of existing risks, is the addition of the risk around the adoption of the second Markets in Financial Instruments Directive (MiFID II). Together with Brexit and the impact of the Trump administration on US economic growth, comprise the most significant risks currently facing the Croydon Pension Fund. 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.

## **4 CONSULTATION**

- 4.1 Officers have fully consulted with the Pension Fund's advisers in preparing this report.

## **5 FINANCIAL CONSIDERATIONS**

- 5.1 This report considers the full range of risks facing the effective management of the Pension Fund and many of these are significant financial risks with potentially material impacts on the finances of the authority.

## **6 COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER**

- 6.1 The Acting Solicitor to the Council comments 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 for and on behalf of Jacqueline Harris-Baker, Acting Council Solicitor and Acting Monitoring Officer.

## **7 FREEDOM OF INFORMATION/DATA PROTECTION CONSIDERATIONS**

- 7.1 The appendix to this report may contain confidential information and the Council will consider release of the information subject to applicable exemptions under the Act..

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### **CONTACT OFFICER:**

Nigel Cook – Head of Pensions and Treasury  
Corporate Resources Department, ext. 62552.

### **Appendix A:**

Risk Register