

PENSIONS INVESTMENT COMMITTEE			
REPORT TITLE	Pension Fund Risk Register 2018/19		
KEY DECISION	No	Item No:	3
WARD	N/A		
CONTRIBUTORS	Head of Corporate Resources		
CLASS	Part 1	Date:	28 June 2018

1. PURPOSE

- 1.1. This paper sets out the Fund's risk register for the financial year 2018/19.

2. RECOMMENDATIONS

- 2.1. Members are asked to review and note the risk register and suggest any amendments as necessary.

3. BACKGROUND

- 3.1. The legal responsibility for the prudent and effective stewardship of the Fund's assets rests with the Pensions Investment Committee. The Committee has full delegated authority to make investment decisions, the terms of which are set out in its terms of reference in the Council's constitution. It receives advice from the Executive Director for Resources and Regeneration and, as necessary, from the Fund's appointed actuary, investment managers, custodian and investment adviser.
- 3.2. The Fund's risk register sets out the nature of the individual risks to the Fund, with an assessment of the level of risk, and the controls and procedures in place to mitigate those risks. It is the responsibility of the Committee to review the register periodically to ensure risks are updated and the relevant mitigations in place are adequate.

4. RISK REGISTER

- 4.1. The risk register is attached at Appendix 1; its design is based on a template provided by the Pensions Regulator. Risk ratings fall into four categories:

RISK CATEGORY	HOW THE RISK SHOULD BE MANAGED	NUMBER OF RISKS
Red (16-25)	Immediate action required, senior management involved	0
Amber/Red (10-15)	Senior management attention needed and management responsibility specified	4
Amber/Green (5-9)	Manage by specific monitoring or response procedures	5

Green (1-4)	Manage by routine procedures, unlikely to need specific or significant application of resources	3
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- 4.2. No risks have been recognised as requiring immediate remedial action; four risks have been identified as requiring senior management attention, as per the following table:

Ref	Risk	Risk Rating
G01	New Members lack of knowledge/ understanding of their roles and responsibilities; Members lack sufficient investment knowledge/ expertise to make decisions.	12
G02	Inappropriate Investment Strategy is adopted.	10
O01	Failure to comply with pension fund accounting requirements.	10
F01	Financial mismatch - Fund assets are not sufficient to meet its obligations and liabilities in the medium/ long term.	15

- 4.3. Current controls and risk mitigating processes are outlined in the register, together with previous scores and risk owners.
- 4.4. Officers will continue to monitor and update the risk register as necessary, informing the Committee of any changes which may negatively impact the Fund or present an immediate risk.

5. FINANCIAL IMPLICATIONS

- 5.1. There are no financial implications directly arising from this report.

6. LEGAL IMPLICATIONS

- 6.1. There are no legal implications directly arising from this report.

7. CRIME AND DISORDER IMPLICATIONS

- 7.1. There are no crime and disorder implications directly arising from this report.

8. EQUALITIES IMPLICATIONS

- 8.1. There are no equalities implications directly arising from this report.

9. ENVIRONMENTAL IMPLICATIONS

- 9.1. There are no environmental implications directly arising from this report.

APPENDICES

Appendix 1 – Risk Register 2018/19

FURTHER INFORMATION

If there are any queries on this report or you require further information, please contact either:

David Austin, Head of Corporate Resources on 020 8314 9114 or at david.austin@lewisham.gov.uk

Robert Browning, Principal Accountant – Treasury & Pensions on 020 8314 6274 or at robert.browning@lewisham.gov.uk