

Risk No	Cat Ref	Risk	Risk Ranking
<b>GOVERNANCE</b>			
1	GOV1	Pension Fund Objectives are not defined and agreed leading to lack of focus of strategy to facilitate the aims of the LGPS.	3
2	GOV2	Frequent and/or extensive turnover of committee members causing a loss of technical and operational knowledge about the Fund and an inexperienced Committee/Board.	12
3	GOV3	Members have insufficient knowledge of regulations, guidance and best practice to make good decisions.	12
4	GOV4	Member non-attendance at training events.	8
5	GOV5	Officers lack the knowledge and skills required to effectively advise elected members and/or carry out administrative duties.	4
6	GOV6	Committee members have undisclosed conflicts of interest.	3
7	GOV7	The Committee's decision making process is too rigid to allow for the making of expedient decisions leading to an inability to respond to problems and/or to exploit opportunities.	4

Risk No	Cat Ref	Risk	Risk Ranking
<b>INVESTMENTS</b>			
48	INV1	That the assumptions underlying the Investment and Funding Strategies are inconsistent.	10
49	INV2	That Fund liabilities are not correctly understood and as a consequence assets are not allocated appropriately.	5
50	INV3	Incorrect understanding of employer characteristics e.g. strength of covenant.	10
51	INV4	The Fund doesn't take expert advice when determining Investment Strategy.	5
52	INV5	Strategic investment advice received from Investment Consultants is either incorrect or inappropriate for Fund.	10
53	INV6	Investment Manager Risk - this includes both the risk that the wrong manager is appointed and /or that the manager doesn't follow the investment approach set out in the Investment Management agreement.	10
54	INV7	Relevant information relating to investments is not communicated to the Committee in accordance with the Fund's Governance arrangements.	4

Risk No	Cat Ref	Risk	Risk Ranking
8	GOV8	Known risks not monitored leading to adverse financial, reputational or resource impact.	4
9	GOV9	Failure to recognise new Risks and/or opportunities.	4
10	GOV10	Weak procurement process leads to legal challenge or failure to secure the best value for the value when procuring new services.	5
11	GOV11	Failure to review existing contracts means that opportunities are not exploited.	4

Risk No	Cat Ref	Risk	Risk Ranking
55	INV8	The risks associated with the Fund's assets are not understood resulting in the Fund taking either too much or too little risk to achieve its funding objective.	10
56	INV9	Actual asset allocations move away from strategic benchmark.	12
57	INV10	No modelling of liabilities and cash flow is undertaken.	5
58	INV11	The risk that the investment strategy adopted by London CIV through fund manager appointments does not fully meet the needs of the Fund.	15
59	INV12	Risk that the Fund's investment performance, valuation and funding level is significantly reduced following the Coronavirus pandemic	15

GOVERNANCE			
12	GOV12	Weak process and policies around communicating with a scheme members and employers means that decisions are not available for scrutiny.	3
13	GOV13	Lack of engagement from employers/members means that communicating decisions becomes a "tick box" exercise and accountability is not real.	12

COMMUNICATION			
60	COM1	Members don't make an informed decision when exercising their pension options whilst employers cannot make informed decisions when exercising their discretions leading to possible complaints and appeals against the Fund	12
61	COM2	Communication is overcomplicated and technical leading to a lack of engagement and understanding by the user (including members and employers).	6

Risk No	Cat Ref	Risk	Risk Ranking
14	GOV14	Failure to comply with legislation and regulations leads to illegal actions/decisions resulting in financial loss and / or reputational damage	5
15	GOV15	Failure to comply with guidance issued by The Pensions Regulator (TPR) and Scheme Advisory Board (SAB), or other bodies, resulting in reputational damage.	10
16	GOV16	Pension fund asset pooling restricts Haringey Pension Fund's ability to fully implement a desired mandate	5
17	GOV17	The Fund adopts and follows ill-suited investment strategy.	10
18	GOV18	The Fund's Governance processes are impaired following the Coronavirus Pandemic resulting in a lack of controls, or delays to decision making causing harm to the fund	10

Risk No	Cat Ref	Risk	Risk Ranking
62	COM3	Employer doesn't understand or carry out their legal responsibilities under relevant legislation.	12
63	COM4	Apathy from members and employers if communication is irrelevant or lacks impact leading to uninformed users.	9
64	COM5	Employers don't meet their statutory requirements leading to possible reporting of breaches to the Pension Regulator.	8
65	COM6	Lack of information from Employers impacts on the administration of the Fund, places strain on the partnership between Fund and Employer.	12

#### LEGISLATION

Risk No	Cat Ref	Risk	Risk Ranking
19	LEG1	Failure to adhere to LGPS legislation (including regulations, order from the Secretary of State and any updates from The Pension Regulator) leading to financial or reputational damage	5

Risk No	Cat Ref	Risk	Risk Ranking
20	LEG2	Lack of access to appropriate legislation, best practice or guidance could lead to the Fund acting illegally.	5
21	LEG3	Lack of skills or resource to understand complex regulatory changes or understand their impact.	8
22	LEG4	Risk that LGPS legislation regarding the benefits framework for the scheme changes significantly (and possibly at short notice) leading to increased fund liabilities due to McCloud and GMP rulings.	16
23	LEG5	Risk of legislation change post Brexit having negative impact on the fund	12

Risk No	Cat Ref	Risk	Risk Ranking
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ACCOUNTING			
24	ACC1	The Pension Fund Statement of Accounts does not represent a true and fair view of the Fund's financing and assets.	5
25	ACC2	Internal controls are not in place to protect against fraud/ mismanagement.	5
26	ACC3	The Fund does not have in place a robust internal monitoring and reconciliation process leading to incorrect figures in the accounts.	8

FUNDING/LIABILITY			
66	FLI1	Funding Strategy and Investment considered in isolation by Officers, Committee and their separate actuarial and investment advisors	10
67	FLI2	Inappropriate Funding Strategy set at Fund and employer level despite being considered in conjunction with Investment Strategy.	10
68	FLI3	Inappropriate Investment and Funding Strategy set that increases risk of future contribution rate increases.	10


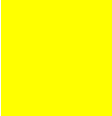
Risk No	Cat Ref	Risk	Risk Ranking
27	ACC4	Market value of assets recorded in the Statement of Accounts is incorrect leading to a material misstatement and potentially a qualified audit opinion.	10
28	ACC5	Inadequate monitoring of income (contributions) leading to cash flow problems.	4
29	ACC6	Rate of contributions from employers' in the Fund is not in line with what is specified in actuarial ratings and adjustment certificate potentially leading to an increased funding deficit or surplus.	5
30	ACC7	The fund fails to recover adhoc /miscellaneous income adding to the deficit.	6
31	ACC8	Transfers out increase significantly as members transfer to DC funds to access cash through new pension freedoms.	8
32	ACC9	Risk of the fund's accounts being delayed beyond statutory deadlines due to impacts of coronavirus pandemic. Delays beyond 30 November would mean the Fund would be unable to produce its annual report by the statutory deadline	6
33	ACC10	Risk of misstatement of figures in the Fund's accounts and potential audit qualification due to material uncertainty at the year end caused by the Coronavirus pandemic	9

Risk No	Cat Ref	Risk	Risk Ranking
69	FLI4	Processes not in place to capture or failure to correctly understand changes to risk characteristics of employers and adapting investment/funding strategies.	10
70	FLI5	Processes not in place to capture or review when an employer may be leaving the LGPS.	10
71	FLI6	Processes not in place to capture or review funding levels as employer approaches exiting the LGPS.	10
72	FLI7	Investment strategy is static, inflexible and does not meet employers and the Fund's objectives.	5
73	FLI8	Process not in place to ensure new employers admitted to the scheme have appropriate guarantor or bond in place.	5
74	FLI9	Level of bond not reviewed in light of change in employers pension liabilities.	8
75	FLI10	Processes not in place to capture or review covenant of individual employers.	8

Risk No	Cat Ref	Risk	Risk Ranking
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Risk No	Cat Ref	Risk	Risk Ranking
76	FLI11	Processes not in place to capture and understand changes in key issues that drive changes to pension liabilities.	5
77	FLI12	Risk of the fund experiencing liquidity issues in the wake of the coronavirus pandemic, as a result of cashflow demands to pay pensions, and inability to sell investment assets or being forced to sell these in challenging market conditions, crystallising losses	5

ADMINISTRATION			
34	ADM1	Failure to act within the appropriate legislative and policy framework could lead to illegal actions by the Fund and also complaints against the Fund.	10
35	ADM2	Pension structure is inappropriate to deliver a first class service	5
36	ADM3	Insufficiently trained or experienced staff leading to knowledge gaps	8
37	ADM4	Failure of pension administration system resulting in loss of records and incorrect pension benefits being paid or delays to payment.	5
38	ADM5	Failure to pay pension benefits accurately leading to under or over payments.	8
39	ADM6	Failure of pension payroll system resulting in pensioners not being paid in a timely manner.	8

Colour	Risk Level
	Low
	Moderate



Risk No	Cat Ref	Risk	Controls/Mitigations	Impact	Probability	Overall Risk Rating	Responsibility	Timescale
1	GOV1	Pension Fund Objectives are not defined and agreed leading to lack of focus of strategy to facilitate the aims of the LGPS.	<p>Objectives defined in the Funding Strategy Statement, Investment Strategy Statement and approved by the Pensions Committee.</p> <p>The Committee has approved updated versions of both of these documents in the last 12 months.</p>	3	1	3	PCB	Mar-20



Risk No	Cat Ref	Risk	Controls/Mitigations	Impact	Probability	Overall Risk Rating	Responsibility	Timescale
2	GOV2	Frequent and/or extensive turnover of committee members causing a loss of technical and operational knowledge about the Fund and an inexperienced Committee/Board.	<p>The nature of Council appointees to the Fund means that there is likely to be some annual turnover of appointments to the Pensions Committee. However, Full Council through Democratic Services has been made aware of the consequences of constant turnover of Pensions Committee members, and the outgoing Committee and Board of April 2018 wrote to the Chief Whips of both parties in relation to this.</p> <p>A comprehensive training programme that is in line with CIPFA guideine/The Pension Regulator has been developed and is continously reviewed/updated.</p> <p>Training needs analyses undertaken annually to identify knowledge gaps and training programme adapted accordingly</p> <p>New members required to complete The Pensions Regulators public</p>	4	3	12	PCB; HoP	Ongoing, but review in May 2020

Note that one of the employer positions on the PCB remains vacant

Risk No	Cat Ref	Risk	Controls/Mitigations	Impact	Probability	Overall Risk Rating	Responsibility	Timescale
3	GOV3	Members have insufficient knowledge of regulations, guidance and best practice to make good decisions.	Training needs analyses undertaken annually to identify knowledge gaps and training programme adapted as required.	4	3	12		Mar-20
4	GOV4	Member non-attendance at training events.	A record of training events attended is a standing agenda item.	4	2	8	PCB	Ongoing
5	GOV5	Officers lack the knowledge and skills required to effectively advise elected members and/or carry out administrative duties.	Job descriptions are used at recruitment to appoint officers with relevant skills and experience. The recruitment process would have identified key knowledge/skills that the successful applicant would need to demonstrate that they possess before being offered a role.  Training and improvement plans are in place for all officers as part of the	4	1	4	CFO	Ongoing
6	GOV6	Committee members have undisclosed conflicts of interest.	Declaration of conflict of interest is a standing item on the agenda.  All members of the Committee are	3	1	3	PCB	Quarterly

Risk No	Cat Ref	Risk	Controls/Mitigations	Impact	Probability	Overall Risk Rating	Responsibility	Timescale
7	GOV7	The Committee's decision making process is too rigid to allow for the making of expedient decisions leading to an inability to respond to problems and/or to exploit opportunities.	<p>There are five Committee/Board meetings scheduled for 2019/20 municipal year.</p> <p>Where urgent decisions are required this can be done either by organising an additional meeting outside the scheduled meetings or canvassing opinions and votes electronically following dissemination of relevant information to Members.</p> <p>Delegation of necessary authority can be granted to relevant officers for extremely time critical matters too.</p>	4	1	4	PCB	Ongoing
8	GOV8	Known risks not monitored leading to adverse financial, reputational or resource impact.	The Committee has agreed to have the risk register on the agenda for all future meetings including a review of all high risk items and a periodic review of risks by category of risk.	4	1	4	PCB	Quarterly

Risk No	Cat Ref	Risk	Controls/Mitigations	Impact	Probability	Overall Risk Rating	Responsibility	Timescale
9	GOV9	Failure to recognise new Risks and/or opportunities.	Quarterly Committee/management meeting to identify new risks/opportunities.  <i>Attendees at regional and national</i>	4	1	4	HoP; PCB	Quarterly
10	GOV10	Weak procurement process leads to legal challenge or failure to secure the best value for the value when procuring new services.	All procurement carried out in line with the Council's procurement rules and guidance. Expert legal and procurement advice sought where appropriate.	5	1	5	HoP	Periodically

Risk No	Cat Ref	Risk	Controls/Mitigations	Impact	Probability	Overall Risk Rating	Responsibility	Timescale
11	GOV11	Failure to review existing contracts means that opportunities are not exploited.	<p>The Pension Fund reviews contracts regularly to ensure that the Fund receives good value. This include soft market testing where applicable to access opportunities that may benefit the Fund.</p> <p>A number of key contracts have been reprocured recently: the Administration system contract, the actuarial contract and the investment consultancy contract. Savings were achieved on the systems administration contract. The actuarial and investment consultancy contracts were procured via the national LGPS frameworks which offer value for money via a reduced and simplified procurement process, and bulk negotiated fees for all LGPS clients.</p>	4	1	4	HoP; PAM	Periodically
12	GOV12	Weak process and policies around communicating with a scheme members and employers means that	<p>All Committee/Board minutes to be published in a timely manner.</p> <p>Publication of an pension fund</p>	3	1	3	PAM	Quarterly

Risk No	Cat Ref	Risk	Controls/Mitigations	Impact	Probability	Overall Risk Rating	Responsibility	Timescale
13	GOV13	Lack of engagement from employers/members means that communicating decisions becomes a "tick box" exercise and accountability is not real.	<p>The Communications Strategy sets out how the Fund will engage with all stakeholders.</p> <p>Employees and employers are represented on the Fund's Committee/Board with full voting rights, however one of the employer representative positions has been vacant for a long period despite numerous attempts by officers to fill this position.</p> <p><i>Officers have noted a generally low</i></p>	3	4	12	HoP; PAM	Annually
14	GOV14	Failure to comply with legislation and regulations leads to illegal actions/decisions resulting in financial loss and / or reputational damage	<p>Officers maintain knowledge of legal framework for routine decisions.</p> <p>The Council's legal team is involved in reviewing Committee papers and other legal documents.</p> <p>The Fund has engaged a team of experts (Independent Advisor, Actuary, Investment Consultant) that are highly experienced and knowledge about the LGPS and pension fund investments.</p>	5	1	5	HoP; PCB	Ongoing

This was previously impact 3 and probability 3, however, clearly the probability should be increased given recent experiences

Risk No	Cat Ref	Risk	Controls/Mitigations	Impact	Probability	Overall Risk Rating	Responsibility	Timescale
15	GOV15	Failure to comply with guidance issued by The Pensions Regulator (TPR) and Scheme Advisory Board (SAB), or other bodies, resulting in reputational damage.	Guidance (included updates) issued by TPR and SAB is reported to the Committee with gaps identified and clear timetables to address weaknesses agreed.	5	2	10	HoP	Ongoing

Risk No	Cat Ref	Risk	Controls/Mitigations	Impact	Probability	Overall Risk Rating	Responsibility	Timescale	
16	GOV16	Pension fund asset pooling restricts Haringey Pension Fund's ability to fully implement a desired mandate	<p>The London CIV is planning to have as wide a range of mandates as possible and also that there will be a choice of manager for each mandate/asset class.</p> <p>The Fund will be able to retain mandates not currently appointed to by the London CIV, or where moving a mandate to the CIV would not be financially beneficial. Draft Statutory Guidance issued in January 2019 makes clear that a small proportion of assets may remain under local control (provided there is a clear rationale for doing so, and financial benefits can be demonstrated). This draft Statutory Guidance also allowed for the potential of cross pool investments, which will be a helpful option for funds/pools to consider if it is included in the actual new Statutory Guidance expected to be finalised in 2020</p>	5	1	5	HoP	Ongoing	Keep under review mindful of the upcoming investment strategy review following the triennial valuation



Risk No	Cat Ref	Risk	Controls/Mitigations	Impact	Probability	Overall Risk Rating	Responsibility	Timescale
17	GOV17	The Fund adopts and follows ill-suited investment strategy.	The Investment Strategy is in accordance with LGPS investment regulations and it takes into consideration the Fund's liabilities and funding levels among other things.	5	2	10	HoP	Mar-20
18	GOV18	The Fund's Governance processes are impaired following the Coronavirus Pandemic resulting in a lack of controls, or delays to decision making causing harm to the fund	The Fund has had to alter usual governance processes due to the coronavirus pandemic, for example day to day activities where approval of a staff member would usually be given by a wet ink signature have been moved to become electronic approvals. Pensions Committee and Board meetings will take place in line with the previously agreed timetable, and these will take place virtually as allowed for by recent government guidance. Decision making should therefore still go ahead as usual.	5	2	10	HoP	Dec-20

Risk No	Cat Ref	Risk	Current Controls	Impact	Probability	Overall Risk Rating	Respon-sibility	Timescale
19	LEG1	Failure to adhere to LGPS legislation (including regulations, order from the Secretary of State and any updates from The Pension Regulator) leading to financial or reputational damage	<p>Officers maintain knowledge of the LGPS legal framework for routine decisions.</p> <p>Use of tools available on the TPR website including the Public Service Toolkit and Scheme Advisory Board Model.</p> <p>The Committee and Board receives reports regarding any changes to necessary legislation, and the Council's legal team is involved in reviewing Committee papers and other legal documents.</p> <p>The Fund has engaged a team of experts (Independent Advisor, Actuary, Investment Consultant) that are highly degree of experience and knowledge about the LGPS and pension fund investments.</p>	5	1	5	HoP: PAM; PCB	Quarterly

Risk No	Cat Ref	Risk	Current Controls	Impact	Probability	Overall Risk Rating	Respon-sibility	Timescale
20	LEG2	Lack of access to appropriate legislation, best practice or guidance could lead to the Fund acting illegally.	<p>Access to LGA material, use of specialist advisors, membership on national and regional forums and attending training presentation on impact and implementation of new legislation.</p> <p>Collaborative working with other Funds to assess requirement and impact of new legislation.</p>	5	1	5	HoP; PAM	Ongoing
21	LEG3	Lack of skills or resource to understand complex regulatory changes or understand their impact.	The Pensions Service has been restructured in recent years to ensure appropriately skilled staff are recruited and to ensure that there is a concentration of knowledge between the pensions administration and investment teams.	4	2	8	CFO; HoP; PAM	Ongoing
22	LEG4	Risk that LGPS legislation regarding the benefits framework for the scheme changes significantly (and possibly at short notice) leading to increased fund liabilities due to McCloud and GMP rulings.	Current legal challenges regarding the change from final salary in the scheme, and GMP will potentially impact on all public sector schemes, increasing liabilities and potentially changing the new career average benefits frameworks put in place in 2014 in LGPS. Officers will remain abreast of this situation and keep members informed.	4	4	16	CFO; HoP; PAM	Ongoing

Risk No	Cat Ref	Risk	Current Controls	Impact	Probability	Overall Risk Rating	Respon-sibility	Timescale
23	LEG5	Risk of legislation change post Brexit having negative impact on the fund	Brexit is still a significant known unknown, although the fund has not received any intelligence about specific issues that may affect the fund to date, it is possible that regulatory divergence following the exit from the EU has negative consequences for the fund.	4	3	12	CFO; HoP; PAM	Ongoing

**ACCOUNTING: RISK MANAGEMENT FRAMEWORK**

24	ACC1	The Pension Fund Statement of Accounts does not represent a true and fair view of the Fund's financing and assets.	<p>Qualified Accountant to produce the accounts using the most up to date Statement of Recognised Practice, Accounting Code of Practice, Disclosure Checklist and other relevant CIPFA training materials/publications.</p> <p>Attendance at Pensions Officers Group Meetings, Based on latest Code of Practice, robust in year (quarterly) monitoring / reconciliation processes.</p> <p>Draft Statement of Accounts and working papers reviewed by the Head of Pensions and the Chief Accountant.</p>	5	1	5	HoP;	Jul-20
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**ACCOUNTING: RISK MANAGEMENT FRAMEWORK**

25	ACC2	Internal controls are not in place to protect against fraud/ mismanagement.	<p>The Internal Audit plan includes dedicated hours for pensions to the review of internal controls in relation to the management and accounting of the Pension Fund. Pensions is audited annually, with investments and administration covered on alternate years.</p> <p>The plan is designed on a risk basis, so that areas of high risk will be subject to more frequent internal audits.</p> <p>Pensions feed into the process by identifying areas where improvements are required.</p> <p>Recommendations from internal audits of processes and controls are implemented in a timely manner to reduce or remove identified risks.</p>	5	1	5	HoP; PAM	Mar-20
26	ACC3	The Fund does not have in place a robust internal monitoring and reconciliation process leading to incorrect figures in the accounts.	<p>A checklist of all daily, weekly, monthly and quarterly reconciliations is maintained to ensure that all tasks are completed in a timely manner.</p> <p>All reconciliations are independently reviewed and signed off by a second officer.</p>	4	2	8	HoP;	Ongoing

**ACCOUNTING: RISK MANAGEMENT FRAMEWORK**

27	ACC4	Market value of assets recorded in the Statement of Accounts is incorrect leading to a material misstatement and potentially a qualified audit opinion.	Reconciliation undertaken between the book cost and market values to the custodians book of records received quarterly, reports can be run off online portal - Passport.  Further reconciliation undertaken between the custodian and investment managers' records.	5	2	10	HoP	Quarterly
28	ACC5	Inadequate monitoring of income (contributions) leading to cash flow	A majority of total income to the Fund comes from contributions by the Council.	4	1	4	PAM; HoP	Ongoing
29	ACC6	Rate of contributions from employers' in the Fund is not in line with what is specified in actuarial ratings and adjustment certificate potentially leading to an increased funding deficit or surplus.	Employers are sent all employers a contribution form at the start of each year and confirm the correct rates to be paid.  Payment is monitored against expected payment quarterly. Where there are discrepancies, the employer is expected to make immediate payment to make up the shortfall - overpayments cannot be refunded.  Employers making late payment are	5	1	5	PAM; HoP	Ongoing

**ACCOUNTING: RISK MANAGEMENT FRAMEWORK**

30	ACC7	The fund fails to recover adhoc /miscellaneous income adding to the deficit.	<p>All expenditure incurred by the fund on behalf of employers is recharged. Invoices are itemised and all recoverable items are identified and charged back to the relevant employer.</p> <p>All income recoverable, including withholding taxes on investments are itemised in the custodian reports.</p>	3	2	6	HoP;	Ongoing
31	ACC8	Transfers out increase significantly as members transfer to DC funds to access cash through new pension freedoms.	<p>Levels of transfers out initially anticipated have not materialised in relation to transfers to DC Funds.</p> <p>However transfers out from employers exiting the fund and bulk transfers will have some impact on the fund. This is not anticipated to cause material change to the Fund's cashflow however.</p>	4	2	8	PAM; HoP	Ongoing



**ADMINISTRATION**

34	ADM1	Failure to act within the appropriate legislative and policy framework could lead to illegal actions by the Fund and also complaints against the Fund.	<p>Ensure staff are adequately trained.</p> <p>Appropriate checking processes.</p> <p>Professional advice. Close working with other Funds. Policies kept up to date and discussed at PCB. Regular updates on legislative/regulatory background provided to the PCB.</p>	5	2	10	PCB; DoF; HoP; PAM	Ongoing
35	ADM2	Pension structure is inappropriate to deliver a first class service	New structure implemented from October 2016. Officers feel the new structure is functioning well, and that having all pensions staff in one team rather than split between HR and Finance is beneficial. The objectives of the pensions teams are being met.	5	1	5	HoP; PAM	Ongoing

**ADMINISTRATION**

36	ADM3	Insufficiently trained or experienced staff leading to knowledge gaps	<p>Training programme for staff including CPD qualification in some places. Regular briefings and updates on LGPS changes from CIPFA and other training providers.</p> <p>Staff in pensions administration and investments/accounting attend events, conferences and training sessions. The Head of Pensions, and Senior Pensions Accountants are both CCAB qualified accountants who complete annual CPD requirements.</p> <p>Pensions Administration team have access to online training portal provided by the Fund's Administration software provider to ensure that all Administration staff receive continuous training/development.</p>	4	2	8	DoF; HoP	Ongoing
37	ADM4	Failure of pension administration system resulting in loss of records and incorrect pension benefits being paid or delays to payment.	<p>Pensioner administration system Altair is subject to daily software backups and off-site duplication of records.</p> <p>The business recovery plan once implemented allows the pension administration system to be run from</p>	5	1	5	PAM	Ongoing

probability reduced to a '2'

**ADMINISTRATION**

38	ADM5	Failure to pay pension benefits accurately leading to under or over payments.	The pension administration system, Altair, allows for all pensioner benefits to be automatically calculated by the administration system.	4	2	8	PAM	Ongoing
39	ADM6	Failure of pension payroll system resulting in pensioners not being paid in a timely manner.	Pensioner payroll system is subject to daily software backups and off-site duplication of records.	4	2	8	PAM	Ongoing
40	ADM7	Not dealing properly with complaints leading to escalation that ends ultimately with the ombudsman	<p>The Fund has an Internal Dispute Resolution Policy (IDRP) which has been approved by the Committee. This was last approved in March 2019.</p> <p>In attempting to resolve any complaints by members, the IDRP will guide officers to ensure that due process is applied through out the process.</p> <p>The Pensions Service understands that by comparison to other LGPS Funds it</p>	4	1	4	PCB; HoP; PAM	Ongoing
41	ADM8	Data protection procedures non-existent or insufficient leading to poor security for member data	<p>The Council's data protection policy is issued to and signed by all staff.</p> <p>The Council has in place a system that ensures pension fund data is sufficiently protected.</p> <p>Staff trained in data protection and regularly reminded of its importance.</p>	5	2	10	HoP; PAM	Ongoing

Probability reduced to a '1'

**ADMINISTRATION**

42	ADM9	Loss of funds through fraud or misappropriation by officers leading to negative impact on reputation of the Fund as well as financial loss.	Robust accounting checks and adherence with best practice including undertaking regular reconciliation of payments undertaken or received into the Fund.	5	1	5	HoP	Ongoing
43	ADM10	Officers do not have appropriate skills and knowledge to perform their roles resulting in the service not being provided in line with best practice and legal requirements. Succession planning is not in place leading to reduction of knowledge when an officer leaves.	<p>The selection process for recruiting officers is rigorous and focussed on the requirements of the role. Also detailed job descriptions/person specification are used to wittle down and appoint officers with the right level of skills, knowledge and experience.</p> <p>Training/Personal Development plans are put in place for each staff member following annual performance appraisal. Results of recent My Conversation appraisals within the department have been positive.</p>	5	2	10	HoP	Ongoing

**ADMINISTRATION**

44	ADM11	Cybersecurity, the risk posed to data and assets held by the fund, such as personal sensitive data regarding beneficiaries of the Fund.	<p>The Council performs an annual healthcheck and penetration testing on all Council IT.</p> <p>Heywoods, the provider of the pensions administration software undertakes regular penetration testing using an external specialist and reports the results of this to the Pensions Service.</p>	5	2	10	PCB; DoF; HoP; PAM	Ongoing
45	ADM12	Risk of being unable to administer pension benefits due to the Coronavirus pandemic	<p>The Council has moved almost all of its workforce to remote working in March 2020. The majority of pensions administration tasks can be concluded remotely with staff working from home, and for those few activities where an office presence is required, staff members are on a rota to visit the office to complete these duties.</p> <p>In line with the Pensions Regulator Guidance, the Fund has prioritised the payment of pension benefits, processing of retirements and dealing with death cases. The fund has largely been able to perform these duties as it would in normal times, albeit with some modifications to usual processes.</p>	5	1	5	HoP; PAM	Ongoing

New risk added following conversation in the Jan PBC Meeting

**ADMINISTRATION**

46	ADM13	Risk of increased numbers of death cases due to the Coronavirus pandemic causing work backlogs and delays to benefit payments	The Fund has seen an uptick in death cases as would be expected. It has prioritised dealing with these cases in line with the Pensions Regulator Guidance, and has dealt with this work within existing headcount. Members of the pensions administration team cancelled planned annual leave in April and May which helped the fund deal with the increased caseload, and some overtime has been used to manage workloads.	5	2	10	HoP; PAM	Ongoing
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**ADMINISTRATION**

47	ADM14	Risk of employers failing to pay across employer or employee contributions or becoming insolvent as a result of the coronavirus pandemic, potentially leading to the fund being unable to recover deficits if these exist when the employer leaves the fund	The fund has reviewed its employers on a risk basis: cognisant of whether employers are in a deficit position and whether they will be affected materially by the Coronavirus pandemic. The majority of fund employers provide key public services which are continuing despite coronavirus and therefore are not anticipated to suffer severe financial consequences of coronavirus. Additionally, the majority of fund employers are in a surplus position, so if they do exit the fund this is not anticipated to leave a deficit which requires recovery. No employers have contacted the fund to say they are unable to pay contributions to date.	4	3	12	HoP; PAM	Ongoing
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Cat Ref	Risk	Current Controls	Impact	Probability	Overall Risk Rating	Responsibility	Time-scale
INV1	That the assumptions underlying the Investment and Funding Strategies are inconsistent.	<p>The Investment and Funding Strategy Statements are reviewed regularly and discussed at Pensions Committee and Board meeting. Both will be updated as part of the 2019 Valuation.</p> <p>These Strategies are presented to the committee annually as part of the process of approving the Fund Annual Report.</p> <p>There is close liaison between the Fund's actuary and strategic investment adviser.</p>	5	2	10	HoP	Mar-20
INV2	That Fund liabilities are not correctly understood and as a consequence assets are not allocated appropriately.	Actuarial and Investment advice provided by qualified professionals and subject to peer review to ensure that it is fit for purpose. Good contract management is key here as the Fund relies on external parties to be appointed for these purposes.	5	1	5	HoP	Ongoing
INV3	Incorrect understanding of employer characteristics e.g. strength of covenant.	<p>Actuarial and Investment advice provided by qualified professionals and subject to peer review to ensure that it is fit for purpose.</p> <p>A strength of covenant analysis is</p>	5	2	10	HoP	Mar-20



Cat Ref	Risk	Current Controls	Impact	Probability	Overall Risk Rating	Responsibility	Time-scale
INV4	The Fund doesn't take expert advice when determining Investment Strategy.	The Fund currently utilises the services of Mercer as the Investment Consultant to the Fund.	5	1	5	HoP; PCB	Ongoing
INV5	Strategic investment advice received from Investment Consultants is either incorrect or inappropriate for Fund.	The Fund employs the services of an investment consultant, Mercer, but has also engaged an independent advisor to challenge/confirm investment/investment strategy decisions. This model ensures that advice is subject to peer review to ensure that it is fit for purpose.	5	2	10	PCB; PCB	Ongoing

Cat Ref	Risk	Current Controls	Impact	Probability	Overall Risk Rating	Responsibility	Time-scale
INV6	Investment Manager Risk - this includes both the risk that the wrong manager is appointed and /or that the manager doesn't follow the investment approach set out in the Investment Management agreement.	<p>Rigorous selection process in place to ensure that Fund appoints only the best investment managers based on available information during tendering of a new mandate.</p> <p>Expert professional advice provided by Investment Consultant supporting manager selection exercise. It is a requirement of the Fund that all Investment Managers are FCA registered.</p> <p>Where necessary specialist search managers will be engaged to assist investment manager selection.</p>	5	2	10	PCB;	Ongoing
INV7	Relevant information relating to investments is not communicated to the Committee in accordance with the Fund's Governance arrangements.	<p>The Pensions Committee receives formal quarterly reports on both the overall performance of the Fund and individual investment managers.</p> <p>Where appropriate members may be asked to utilise electronic decision making, such as, email to allow the Committee to make timely/urgent decisions relating to investment of fund assets.</p>	4	1	4	HoP; CC	Ongoing

Cat Ref	Risk	Current Controls	Impact	Probability	Overall Risk Rating	Responsibility	Time-scale
INV8	The risks associated with the Fund's assets are not understood resulting in the Fund taking either too much or too little risk to achieve its funding objective.	Full Investment Strategy review undertaken by Investment Consultant on triennial basis after triennial valuation with Annual/Ad-hoc Strategy reviews undertaken in intervening years to ensure the Strategy is still appropriate to achieve long term funding objectives.	5	2	10	HoP; PCB	Jul-20
INV9	Actual asset allocations move away from strategic benchmark.	Asset Allocations formally reviewed as part of quarterly report to Pensions Committee and necessary action will be taken to correct imbalance that is over and above the tolerance threshold . LGIM, the equity investor is able to affect a rebalancing of the Fund's assets to benchmark and has been tasked to do so on an ongoing basis.  This is a topic that has been discussed with the PCB recently for property and private equity.	4	3	12	HoP	Ongoing

Cat Ref	Risk	Current Controls	Impact	Probability	Overall Risk Rating	Responsibility	Time-scale	
INV10	No modelling of liabilities and cash flow is undertaken.	Annual cash flow monitoring at Fund level undertaken by Head of Pensions and utilised to inform Investment Strategy to ensure that the Fund is always able to meet its liabilities as they fall due.	5	1	5	HoP	Mar-20	We would like to do more analysis around this within the next triennial valuation and investment strategy. We will consider including a more explicit section on this within the Investment Strategy Statement.

Cat Ref	Risk	Current Controls	Impact	Probability	Overall Risk Rating	Responsibility	Time-scale
INV11	The risk that the investment strategy adopted by London CIV through fund manager appointments does not fully meet the needs of the Fund.	<p>The Fund is a founding member of London CIV and actively engages with them.</p> <p>The CIV has to reach consensus among its 32 funds, there is therefore a persistent risk that the full complement of mandates in the Fund may not be replicated by London CIV. However, there is acknowledgement within LGPS that more niche illiquid mandates will not transition into the pools due to the inefficiencies involved.</p> <p>Haringey has had a number of interactions with the CIV, in relation to fund managers, which have been generally positive. Haringey has benefited from fee savings, and has a number of investments that are either via the CIV or under the CIV's oversight. These are however still subject to Haringey specific monitoring meetings with the relevant Investment Manager which are organised by the Head of Pensions and attended by</p>	5	3	15	HoP	Ongoing

We will review this risk following the current conversations about residential property.

Cat Ref	Risk	Current Controls	Impact	Probability	Overall Risk Rating	Responsibility	Time-scale
INV12	Risk that the Fund's investment performance, valuation and funding level is significantly reduced following the Coronavirus pandemic	The fund's value declined sharply in March 2020, however it has recovered following this, and at the current time has recovered to a level above that at the latest valuation. However there are significant concerns about global economic growth going forwards, which may result in sustained lower investment performance in the future.	5	3	15	HoP; PCB	Ongoing

**COMMUNICATIONS: RISK MANAGEMENT FRAMEWORK**

60	COM1	Members don't make an informed decision when exercising their pension options whilst employers cannot make informed decisions when exercising their discretions leading to possible complaints and appeals against the Fund	<p>Communication Strategy in place that outlines the most appropriate mode of communication and how the Fund will communicate with all stakeholders including its members and employers.</p> <p>Member provided with explanatory notes and guidance to enable them to make informed decision and given access to further pension support.</p>	4	3	12	PAM; HoP	Ongoing
61	COM2	Communication is overcomplicated and technical leading to a lack of engagement and understanding by the user (including members and employers).	Members and Employers are provided with explanatory notes, factsheets, access to a pension help desk and a dedicated Communications Team. In addition the Fund's website provides a one stop shop for information about the Scheme and benefits.	3	2	6	PAM; HoP	Ongoing
62	COM3	Employer doesn't understand or carry out their legal responsibilities under relevant legislation.	<p>Ensure information communicated to Employers is clear and relevant by using simple understandable wording.</p> <p>Where available use standard template/information from the LGA.</p>	4	3	12	PAM; HoP	Ongoing
63	COM4	Apathy from members and employers if communication is irrelevant or lacks impact leading to uninformed users.	Ensure all communication and literature is up to date and relevant and reflects the latest position within the pensions environment including LGPS regulations and other relevant overriding legislation.	3	3	9	PAM; HoP	Ongoing

**COMMUNICATIONS: RISK MANAGEMENT FRAMEWORK**

64	COM5	Employers don't meet their statutory requirements leading to possible reporting of breaches to the Pension Regulator.	Provide training to employers that is specific to their roles and responsibilities in the LGPS. Employer access to a portal with regular updates in line with legislation.  <i>The Pensions Manager and other staff carry</i>	4	2	8	PAM; HoP	Ongoing
65	COM6	Lack of information from Employers impacts on the administration of the Fund, places strain on the partnership between Fund and Employer.	All forms available on our website and Employer has access to specialist support from Fund Officers.	4	3	12	PAM; HoP	Ongoing



**FUNDING/LIABILITY: RISK MANAGEMENT FRAMEWORK**

66	FLI1	Funding Strategy and Investment considered in isolation by Officers, Committee and their separate actuarial and investment advisors	<p>Funding Strategy statement has explicit links to the investment strategy. Both the actuarial advisor and the investment advisor advise Officers and the Committee and work in partnership to ensure that the two strategies are compatible.</p> <p>The Funding Strategy once ready is presented to Committee for final review and approval.</p>	5	2	10	HoP	Ongoing with any changes made to the investment strategy
67	FLI2	Inappropriate Funding Strategy set at Fund and employer level despite being considered in conjunction with Investment Strategy.	Fund commissions stochastic modelling from the fund's actuary to test the likelihood of success of achieving desired returns to deliver the Fund long term objectives of being able to pay retirement benefits as they fall due. The actuary sets a high probability bar for future service return and also a deficit recovery plan that recovers funding shortfall in the most efficient manner.	5	2	10	HoP; Fund Actuary	Mar-20

**FUNDING/LIABILITY: RISK MANAGEMENT FRAMEWORK**

68	FLI3	Inappropriate Investment and Funding Strategy set that increases risk of future contribution rate increases.	The Actuary as part of the triennial valuation reviews the Funding Strategy to take account of outcomes from the triennial valuation and sets appropriate contribution rate for each employer in the Fund. Similarly, a comprehensive review of the Investment Strategy is undertaken following a triennial valuation to ensure that the Strategy is still fit for purpose - annual and ad-hoc reviews are also undertaken where opportunities present itself.	5	2	10	HoP; Fund Actuary; Investment Consultant	Mar-20
69	FLI4	Processes not in place to capture or failure to correctly understand changes to risk characteristics of employers and adapting investment/funding strategies.	Regular profiling of employers' characteristics to ensure that assumptions are still relevant and the Funding Strategy is fit for purpose.  Funding strategy statement has specific strategies in place for different types of employer depending on their covenant strength etc.	5	2	10	HoP; PAM	Ongoing
70	FLI5	Processes not in place to capture or review when an employer may be leaving the LGPS.	Employer monitoring done to capture key metrics that drive an employers' liabilities and status within the Fund. Contract dates for admitted bodies are monitored, so that officers are aware and able to identify employers that are due to leave the Scheme.	5	2	10	PAM; HoP	Ongoing

**FUNDING/LIABILITY: RISK MANAGEMENT FRAMEWORK**

71	FLI6	Processes not in place to capture or review funding levels as employer approaches exiting the LGPS.	<p>Employer monitoring to capture key metrics that drive an employers' liabilities and status within the Fund.</p> <p>Contract dates for admitted bodies are monitored, so that officers are aware and able to identify employers that are due to leave the Scheme. Where an employer is admitted on a closed basis, this usually aligns with when the last active member on the employers payroll either retires or leaves the service of the employer.</p>	5	2	10	PAM; HoP	Ongoing
72	FLI7	Investment strategy is static, inflexible and does not meet employers and the Fund's objectives.	<p>The investment strategy is constantly under review and updated to ensure that the Fund is able to meets its objectives.</p> <p>The Investment Consultant/Independent</p>	5	1	5	HoP	ongoing
73	FLI8	Process not in place to ensure new employers admitted to the scheme have appropriate guarantor or bond in place.	The Fund's admission agreement policy requires potential admitted bodies to have a guarantor/bond in place. Or alteratively a pass through arrangement.	5	1	5	PAM; HoP	ongoing
74	FLI9	Level of bond not reviewed in light of change in employers pension liabilities.	<p>All new admissions into the Fund are required to have a bond taken out in the name of the Fund or provide a guarantor, if a pass through arrangement is not used.</p> <p>The Fund Actuary undertakes a periodic</p>	4	2	8	PAM; HoP	ongoing

**FUNDING/LIABILITY: RISK MANAGEMENT FRAMEWORK**

75	FLI10	Processes not in place to capture or review covenant of individual employers.	<p>The strength of covenant of individual employers is assessed before they are admitted into the Fund.</p> <p>The strength of covenant is a significant factor when determining the terms of admission for a new admitted body to the Fund. Along with the employer profiling, strength of covenant of each individual employer is assessed periodically by the actuary and Head of Pensions.</p>	4	2	8	HoP	ongoing
76	FLI11	Processes not in place to capture and understand changes in key issues that drive changes to pension liabilities.	<p>The Haringey Pension Fund subscribes to a number of organisations that assists officers of the Scheme to keep abreast of development and changes to the Fund (including government legislation).</p> <p>Updates are received Local Authority Pension Fund Forum; CIPFA Pensions Network; London Pension Fund Forum. These forums/networks provide regular updates on all things local government pension and facilitates awareness of proposed or imminent changes to the LGPS or Investment regulations.</p>	5	1	5	PAM; HoP	ongoing

**FUNDING/LIABILITY: RISK MANAGEMENT FRAMEWORK**

77	FLI12	Risk of the fund experiencing liquidity issues in the wake of the coronavirus pandemic, as a result of cashflow demands to pay pensions, and inability to sell investment assets or being forced to sell these in challenging market conditions, crystallising losses	The fund conducted a review of cashflows in April 2020 and made arrangements to ensure it held sufficient cash to provide for all cashflows for the remainder of 2020. Whilst there was a perceived risk of listed markets potentially ceasing or reducing trading, this has not materialised during the crisis to date.	5	1	5	HoP	Ongoing
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PCB Pensions Committee/Board

Level 3

Moderate

Moderate

HoCF Head of Corporate Finance

Level 4

Major

Likely

CC Committee Clerk

Level 5

Catastrophic

Almost Certain

LEG4	Risk that LGPS legislation regarding the benefits framework for the scheme changes significantly (and possibly at short notice) leading to increased fund liabilities	Current legal challenges regarding the change from final salary in the scheme, and GMP will potentially impact on all public sector schemes, increasing liabilities and potentially changing the new career average benefits frameworks put in place in 2014 in LGPS. Officers will remain abreast of this situation and keep members informed.	4	4	16	CFO; HoP; PAM	Ongoing

INV11	<p>The risk that the investment strategy adopted by London CIV through fund manager appointments does not fully meet the needs of the Fund.</p>	<p>The Fund is a founding member of London CIV and actively engages with them.</p> <p>The CIV has to reach consensus among its 32 funds, there is therefore a persistent risk that the full complement of mandates in the Fund may not be replicated by London CIV.</p> <p>However, there is acknowledgement within LGPS that more niche illiquid mandates will not transition into the pools in the near future due to the inefficiencies involved.</p> <p>Haringey has had a number of interactions with the CIV, in relation to fund managers, which have been generally positive. Haringey has benefited from fee savings, and has a number of investments that are either via the CIV or under the CIV's oversight. These are however still subject to Haringey specific monitoring meetings with the relevant Investment Manager which are organised by the Head of Pensions and attended by both the Head of Pensions and the Independent Advisor.</p>	5	3	15	HoP	Ongoing
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