

**Report for:** Pensions Committee and Board – 15 March 2022

**Title:** Haringey Pension Fund Risk Register

**Report authorised by:** Thomas Skeen, Assistant Director of Finance (Deputy Section 151 Officer)

**Lead Officer:** Tim Mpofu, Head of Pensions and Treasury,  
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**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** Not applicable

## **1. Describe the issue under consideration**

1.1. This paper has been prepared to update the Pensions Committee and Board on the Pension Fund's risk register and provide an opportunity for the Committee and Board to further review the risk score allocation.

## **2. Cabinet Member Introduction**

2.1. Not applicable

## **3. Recommendations**

3.1. The Pensions Committee and Board is requested:

3.2. To note and provide any comments on the Pension Fund's risk register. The area of focus for review at the meeting is Investments.

## **4. Reason for Decision**

4.1. Not applicable.

## **5. Other options considered**

5.1. Not applicable.

## **6. Background information**

6.1. The Pensions Regulator requires that the Pension Committee and Board (PCB) establish and operate internal controls for the Pension Fund. These must be adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and in accordance with the requirements of the law.

- 6.2. The PCB previously approved a full version of the risk register on 20 September 2016 and from each meeting after this date, different areas of the register have been reviewed and agreed so that the risk register remains current.
- 6.3. The Pension Fund’s risk register covers administration, governance, investment, accounting, funding, and legislation risks. Appendix 1 to this paper includes an assessment of the investment risks which have been reviewed and updated for the PCB to provide feedback on at the meeting. The other risk areas will be presented to the PCB in forthcoming meetings.

**Risk Scoring**

- 6.4. The Pension Fund’s risk scoring assesses the impact and likelihood of an identified risk occurring. This is assessed based on a score of 1 (low impact, unlikely to occur) – 5 (high impact, likely to occur). Each score is grouped using the RAG (Red-Amber-Green) rating system below.

RAG Rating	Scoring Range
	25 - 15
	15 - 10
	Less than 10

**Key identified risks**

- 6.5. The Pension Fund has identified a few key risks of particular concern over the short to medium term. These have been summarised in the table below.

Key identified risk	RAG Rating	Update on Risk	Action Taken to manage risk
<b>INV02 – Geopolitical Risk</b>		Following the invasion of Ukraine by Russia in February 2022, several countries announced sanctions against major Russian banks and financial institutions. In response, Russia has banned foreign entities from liquidating their assets.	Officers are actively engaging with the Fund’s investment managers and advisors to assess the implications of the ongoing crisis. The Fund has a very small exposure (less than 1.00% of total fund assets) to Russian companies through its investment in an emerging markets index tracker fund.
<b>INV13 – High inflation</b>		CPI inflation in January 2022 came in at 5.5%. The Bank of England expects inflation to peak at 7.25% in the spring of 2022.	The Fund has several investment mandates in inflation linked strategies such as index linked gilts, property, and renewable infrastructure which should provide some level of inflation protection. The

			Pensions Committee and Board will be reviewing the property portfolio at the March 2022 meeting.
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6.6. Officers will continue to keep the Pension Fund’s risk register under constant review.

## 7. Contribution to Strategic Outcomes

7.1. Not applicable

## 8. Statutory Officers comments (Director of Finance (including procurement), Head of Legal and Governance, Equalities)

### Finance and Procurement

8.1. There are no financial implications arising from this report.

### Head of Legal and Governance (Monitoring Officer)

8.2. The Head of Legal and Governance has been consulted on the content of this report and there are no legal issues.

### Equalities

8.3. Not applicable.

## 9. Use of Appendices

9.1. Appendix 1: Haringey Pension Fund Risk Register – Investment Risks

## 10. Local Government (Access to Information) Act 1985

10.1. Not applicable.