

London Borough of Haringey Pension Fund Risk Register										
Risk Ref	Risk Group	Risk Description	Impact	Likelihood	Risk Score	Controls and Mitigations In Place	Further Actions	Revised Likelihood	Total Risk Score	Reviewed on
ACC1	Accounting Risk	Risk of the Pension Fund's statement of accounts being delayed beyond statutory deadlines. A delay beyond 30 November would mean the Fund would be unable to produce its annual report by the statutory deadline. The Council continues to experience delays to the completion of the external audit of its Statement of Accounts.	4	4	16	<p>1) The Pensions Committee and Board have received progress updates from the external auditors regarding the issues associated with the delays, and the steps being taken to complete this outstanding work.</p> <p>2) Officers continue to actively engage with the external auditors to complete this activity as soon as possible.</p> <p>3) The issue has been brought to the attention of the Public Sector Audit Appointments Ltd (PSAA), the body responsible for external auditor appointments for local government bodies.</p>	<p>Treat</p> <p>1) The timely completion of the external audit of the Pension Fund's Statement of Accounts remains a national issues across the public sector audits.</p> <p>2) The Department for Levelling-Up, Housing and Communities is considering an approach to address the significant backlog of local audits in England.</p> <p>3) Officers will continue to engage with the Pension Fund's external auditors to provide them with the relevant information to assist in the timely completion of the audit.</p>	4	16	31/07/2023
ACC3	Accounting Risk	The Pension Fund's Statement of Accounts do not represent a true and fair view of the Pension Fund's financing and assets.	5	3	15	<p>1) The Fund's accounts are prepared by a team of qualified accountants using the most up to date CIPFA Financial Accounting Code of Practice, Disclosure Checklist and other relevant CIPFA training materials and publications.</p> <p>2) The Draft Statement of Accounts and working papers are reviewed by the Head of Pensions and Treasury and the Council's Corporate Accounting team.</p> <p>3) The Pension Fund Statement of Accounts are subject to an annual audit by Haringey Council's appointed external auditors.</p>	<p>Treat</p> <p>1) Officers will continue to attend accounting management and reporting workshops, collaborating and sharing ideas with peers on the latest best practice in accounting methods.</p> <p>2) Officers will continue to engage with the Pension Fund's external auditors to provide them with the relevant information to assist in the timely completion of external audits.</p>	2	10	31/07/2023
ACC4	Accounting Risk	Risk of misstatement of figures in the Pension Fund's accounts and potential audit qualification due to material uncertainty over year end valuations	4	3	12	<p>1) Several of the Pension Fund's illiquid (Level 3) investment valuations require significant estimates to be placed on their values. This has been noted in the Pension Fund's draft Statement of Accounts and will likely be a focus during the external audit exercise.</p> <p>2) Level 3 valuation estimates and assumptions impact all Local Government Pension Scheme (LGPS) funds who invest in similar investment strategies.</p>	<p>Treat</p> <p>1) Officers will assist the auditors in obtaining the required assurances from investment managers and where necessary, restate the balances provided in the draft statement of accounts.</p>	2	8	31/07/2023
ACC5	Accounting Risk	The Pension Fund does not have robust internal monitoring and reconciliation process in place, leading to incorrect figures in the accounts	4	2	8	<p>1) The Pensions Team maintains a checklist of all daily, weekly, monthly and quarterly reconciliations to ensure that all tasks are completed in a timely manner. All reconciliations are independently reviewed and signed off by a second officer.</p>	<p>Treat</p> <p>1) Officers will continued to monitor current reconciliations and where possible, identify areas of future improvement in reconciliation activities.</p>	2	8	31/07/2023

ACC6	Accounting Risk	Contributions received from employers participating in the Pension Fund are not in line with what is specified in actuarial reports and adjustment certificates, potentially leading to an increased funding deficit or surplus.	4	2	8	<p>1) Fund employers receive a contribution form at the start of each financial year which confirms the correct rates they are required to pay.</p> <p>2) A contributions reconciliation is monitored monthly and where there are discrepancies, enquiries will be made the employer, and where necessary the necessary corrections will be made.</p> <p>3) Employers making late payments are reported to the Pensions Committee and Board on a quarterly basis.</p>	<p>Treat</p> <p>1) Officers will continue to monitor the contributions paid by Fund employers and alert the Pensions Committee and Board where relevant issues arise.</p>	2	8	31/07/2023
ACC2	Accounting Risk	Internal controls are not in place to protect against fraud/mismanagement	5	2	10	<p>1) The Council's Internal Audit Plan includes dedicated hours for the review of internal controls related to the management and accounting of the Pension Fund.</p> <p>2) The Pensions Team is audited annually, with investments and administration covered on alternate years. The most recent internal audit of the Pension Fund's administration processes took place in November 2022 and received an overall rating of Adequate Assurance.</p>	<p>Treat</p> <p>1) Officers will continue to work closely with the internal audit team to identify areas of improvement and implement the required processes and controls in a timely manner to minimise and mitigate against any identified risks.</p>	1	5	31/07/2023
ACC7	Accounting Risk	The market value of assets recorded in the Statement of Accounts figures are incorrect leading to a material misstatement and potentially a qualified audit opinion.	5	2	10	<p>1) The Pensions Team undertakes a quarterly reconciliation exercise between the market values reported by the investment managers and the market values provided by the custodian's financial accounting team.</p> <p>2) All adjustments (including unrealised profits) are posted into the Pension Fund's general ledger so that the accounts can be reported and created directly for the Council's accounting system, SAP.</p>	<p>Treat</p> <p>1) Officers will continue to reconcile investment market values and transactions regularly.</p>	1	5	31/07/2023
ACC8	Accounting Risk	Inadequate monitoring of contributions and investment income leads to cash flow issues for the Pension Fund.	4	2	8	<p>1) The Pensions Team regularly monitors employer contributions and payments on a monthly basis, include a full reconciliation between the expected receipt and actual receipt. Late payers are identified and chased for payment as soon as possible.</p> <p>2) The Pensions Team regularly monitors the Pension Fund's cash flow requirements including daily dealing and monthly and quarterly forecast updates.</p> <p>3) The Pension Fund holds a small amount of cash to pay pensions and fund any outstanding investment commitments. Several of the Pension Fund's investments have weekly dealing arrangements in place.</p>	<p>Treat</p> <p>1) Officers will continue to monitor the Pension Fund's cash flow requirements, and where necessary recommend changes to investments that are currently reinvesting income rather than distributing it to the Fund.</p>	1	4	31/07/2023