

**Report for:** Pensions Committee and Board – 2 December 2024

**Item number:**

**Title:** Haringey Pension Fund Risk Register

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

**Lead Officers:** 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 Pensions Committee and Board to further review the risk score allocation.

## **2. Cabinet Member Introduction**

- 2.1. Not applicable

## **3. Recommendations**

The Pensions Committee and Board is requested:

- 3.1. To note and provide any comments on the Fund's risk register. The area of focus for review at this meeting will be Governance-related risks.

## **4. Reason for Decision**

- 4.1. Not applicable.

## **5. Other options considered**

- 5.1. Not applicable.

## **6. Background information**

- 6.1. The Pensions Regulator (TPR) requires that the Pension Committee and Board (PCB) establish and implement internal controls for the Fund. These internal controls must be sufficient to ensure that the scheme is administered and managed in accordance with the scheme rules and legal requirements.
- 6.2. The PCB approved a complete version of the risk register in September 2016. Since then, different areas of the risk register have been reviewed at each

subsequent meeting. Any changes are agreed upon to ensure that the Fund's strategic risk monitoring remains current.

- 6.3. The Fund's risk register covers several areas, including administration, governance, investment, accounting, funding, and legislation risks. Appendix 1 of this paper provides an assessment of the Governance-related risks that have been reviewed and updated for the PCB's feedback during the meeting. Other areas of risk management will be presented to the PCB for detailed review in upcoming meetings.

### Risk Scoring

- 6.4. The risk scoring system applied by the Fund assesses the potential impact and likelihood of identified risks. Each risk is assigned a score ranging from 1 (low impact, unlikely to occur) to 5 (high impact, very likely to occur). The RAG (Red-Amber-Green) rating system categorises the overall score for each risk.

RAG Rating	Scoring Range
	25 - 16
	15 - 10
	Less than 10

- 6.5. The risk register includes directional indicators for each risk, comparing them to the previous assessment. These indicators show whether a risk is improving or worsening based on relevant factors. The following symbols represent these changes:

▼ The risk is getting worse – the total risk score has increased.

▬ The risk score has remained the same

▲ The risk is improving – total risk score has decreased

### Key identified risks

- 6.6. The Fund has identified several key risks of particular concern in the short to medium term. These have been summarised in the table below.

**Table 1: Key Risks**

Key identified risk	RAG Rating	Update on Risk	Actions taken to manage and mitigate risks
<b>ACC1 – Delay of publication of Statement of Accounts</b>		<p>Haringey Council has published unaudited accounts for the years 2020/21 – 2023/24.</p> <p>The deadline to publish the 2023/24 unaudited accounts was 31 May 2024 with the deadline of 30 September 2024 for the completion of the audit. The draft accounts were published on 28</p>	<p>This issue has been identified as a national issue.</p> <p>The deadline for Audited accounts for 2023/24 has been pushed back to 28 February 2025</p>

Key identified risk	RAG Rating	Update on Risk	Actions taken to manage and mitigate risks
		June 2024 and the external audit carried out by KPMG is currently taking place.	
<b>INV1 – Significant volatility in financial markets</b>		<p>Over the past quarter, financial markets have grown increasingly volatile due to geopolitical and economic uncertainty.</p> <p>Market participants are beginning to anticipate that global central bank will start easing monetary policy in response to lower inflation rates and slowing economies.</p>	<p>The Fund maintains a diverse investment portfolio which is expected to provide broad diversification benefits over the long term.</p> <p>Officers will continue to monitor the situation as it develops, consulting with investment managers and advisors were necessary, and making the appropriate recommendations to the PCB.</p>
<b>INV3 – ESG Risk</b>		<p>The Fund has faced increasing calls from various groups urging the PCB to review its responsible investment policies. Failure to do so could result in poor investment performance as well as reputational damage.</p>	<p>The PCB is currently undertaking a thorough review of its responsible investment approach with the intention of establishing a framework for managing responsible investment issues.</p> <p>The first of a series of workshops was conducted in September and October 2024.</p>

6.7. Officers will continue to keep the Fund's risk register under constant review.

## **7. Contribution to Strategic Outcomes**

7.1. Not applicable

## **8. Carbon and Climate Change**

8.1. The Fund is committed to being a responsible investor, which involves engaging with and encouraging companies to take positive action on environmental, social and governance (ESG) issues.

8.2. The Fund incorporates ESG risks into its investment selection process. Additional efforts to identify and monitor these risks are currently underway, which will involve establishing responsible investment goals and criteria.

## **9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### Finance and Procurement

- 9.1. There are no direct financial or procurement implications arising from this report.

### Head of Legal and Governance [Patrick Uzice, Principal Lawyer]

- 9.2. The Assistant Director for Legal and Governance has been consulted on the content of this report. Members should refer to the matters referred to in paragraph 6.5 of this report and the risks that these poses to the Pension Fund. Actions taken must not only manage but also mitigate the risk.

### Equalities

- 9.3. Not applicable.

## **10. Use of Appendices**

- 10.1. Appendix 1: Haringey Pension Fund Risk Register Review – Governance Risk Register

- 10.2. Appendix 2: Haringey Pension Fund Summary Risk Register

## **11. Local Government (Access to Information) Act 1985**

- 11.1. Not applicable.