

## Pension Fund Risk Register

Committee

Pension Committee

Officer Reporting

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Papers with this report

Pension Fund Risk Register

### HEADLINES

The purpose of this report is to identify to the Pension Committee the main risk's to the Pension Fund and to enable them to monitor and review going forward (see Appendix). There are no risked rated as Red.

### RECOMMENDATIONS

**It is recommended that Pensions Committee:**

- 1. Consider the Risk Register in terms of the approach, the specific risks identified and the measures being taken to mitigate those current risks.**

### SUPPORTING INFORMATION

The specific risk matrix for the Pension Fund allows better classification of the risks than would be possible through the Council's standard risk matrix. The significance of risks is measured by interaction of the likelihood of occurrence (likelihood) and by the potential damage that might be caused by an occurrence (impact). The risks are also RAG rated to identify level.

There are currently 11 risks being reported upon. Whilst there are many more risks which could be identified for the Fund, those identified are the most significant and those which are actively managed.

Each risk has been explained, along with details of the actions in place to mitigate that risk. The progress comment column provides the latest update in respect of the impact of those mitigating actions. The Direction of Travel (DOT) has also been included.

Risk PEN04 on Pay and price inflation reported previously has been amended to better define the risk as relating to the risk to employers in relation to contribution rates. A new risk PEN05 has been added for the risk of Inflation, which is the funds greatest investment risk.

Risk PEN03 has been amended slightly to take into account the increased exposure to the London CIV pool for investing its assets and the transparency and communication of manager performance.

A new risk PEN11 has been added to identify the risk of liquidity and cash flow as pension funds are increasing becoming cash flow negative on member activities. The addition of this risk also acts in response to the recent situation in which an investment fund was gated to stop funds being withdrawn effecting its investors – note: the Hillingdon fund was not invested in this fund .

There have been no other changes to the status of existing risks from those reported in March.

## **FINANCIAL IMPLICATIONS**

The financial implications are contained within the body of the report.

## **LEGAL IMPLICATIONS**

The legal implications are mentioned within the report.