



London Borough of Enfield

Report Title	Enfield Pension Fund Risk Management Strategy
Report to	Pension Policy Investment Committee (PPIC)
Date of Meeting	04 October 2023
Cabinet Member	Cllr Tim Leaver
Executive Director / Director	Fay Hammond
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Purpose of Report

1. This report and the appendix sets out the Risk Management Policy and an approach to internal controls for the London Borough of Enfield Pension Fund. The Board is required to review and note this report at least every three years.

Recommendations

2. The Pension Board is recommended to consider and note the Risk Management Policy and the key internal controls.

Background and Risk Management policy

3. In accordance with the Public Service Pensions Act 2013 (PSPA) all Board members are required to have knowledge and understanding of pension scheme matters at a level that will allow them to properly exercise the functions of their role.
4. The Risk Policy set out in an appendix 1 to this report details the risk management strategy of the Pension Fund. It covers the approach to risk management and the procedures that are adopted in respect of risk management

5. The Policy sets out the aims and objectives for the management of risk. It also recognises that risks cannot be entirely removed from the management of the Pension Fund because of the very nature of the Fund itself and the environment in which it operates. The risk management process involves the identification of risk, analysing risks, controlling risks, where appropriate, and the monitoring of risk on an ongoing basis.
6. The appendix also sets out key internal controls identified. It is not an exhaustive list; however, it forms the basis of some of the internal controls in place to manage the Fund on a day to day basis and also draws on guidance from the CIPFA publication Managing Risk in the Local Government Pension Scheme and from the Pensions Regulator's code of practice for public service pension schemes.
7. The Pensions Policy & Investment Committee act as quasi Trustees to the London Borough of Enfield Pension Fund and therefore have the responsibility for the strategic management of the assets of the Fund and the administration of benefits. As quasi trustees their overriding duty is to ensure the best possible outcomes for the Pension Fund, its participating employers and scheme members. Within their Governance role, it is therefore important for Committee Members to understand the risks involved in the management of the Pension Fund and the actions put in place to mitigate those risks where possible
8. Risk management of the Pension Fund needs to ensure the identification, analysis and economic control of opportunities and risks that challenge the assets, reputation or objectives of the Fund. Effective risk management enables the Pensions Policy & Investment Committee to manage strategic decisions to safeguard the wellbeing of all stakeholders in the Pension Fund and increase the likelihood of achieving the Fund's objectives.
9. The Administering Authority must be satisfied that risks are appropriately managed. For this purpose, the Executive Director of Resources Enfield Council, is the designated individual for ensuring the process outlined in the policy is carried out, subject to the oversight of the Pensions Policy & Investment Committee
10. However, it is the responsibility of each individual covered by this Policy to identify any potential risks for the Fund and ensure that they are fed into the risk management process. This process is a continuous approach which systematically looks at risks surrounding the Fund's past, present and future activities.
11. All risks are regularly reviewed to ensure that they remain appropriate and that the controls are in place to manage risks where feasible. An annual review of the Risk Register has been included within the business plan for the Pension Fund and this report will therefore continue to be a regular feature so that the Board and the Committee understands the risks involved in managing the Pension Fund and is able to therefore to make informed decisions.

Reason for Recommendation

12. The terms of reference for the Pension Board set out a broad range of functions relating to the administration of the Pension Fund.
13. The consideration of the risks associated with administering the Pension Fund properly fall within the terms of reference of the Board. Setting out of a policy recognises the importance that is placed on this area in accordance with both the CIPFA guidance and recognises the increased role of the Pensions Regulator following the Public Service Pensions Act 2013.
14. The Policy coming before PPIC for review and comment helps to demonstrate compliance with both regulations and guidance provided by CIPFA and TPR
15. Separate risk registers covering Pension Investments and Pension Administration will be presented to PPIC and Pension Board respectively going forward.

Relevance to Council Plans and Strategies

1. Clean and green places
2. Strong Healthy and safe communities
3. An economy that works for everyone

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Appendices

Appendix 1: Risk Management policy and internal controls

