

# Havering Pension Fund

## Risk Register

October 2025

The pension fund uses a 4x6 risk matrix to assess and manage the likelihood and impact of potential risks. Each risk is evaluated both before and after the application of controls, with scores recorded under “Risk Likelihood / Impact Prior to Controls” and “Risk Likelihood / Impact Post Controls.” The matrix visually categorizes risks: green indicates areas with effective controls and acceptable exposure, while amber and red highlight risks requiring heightened oversight and mitigation.

### Generic Pension Fund Risk Register

Likelihood	A	Green	Amber	Red	Red
	B	Green	Amber	Amber	Red
	C	Green	Green	Amber	Amber
	D	Green	Green	Green	Amber
	E	Green	Green	Green	Green
	F	Green	Green	Green	Green
		4	3	2	1
		Impact			

<b>Risk Likelihood</b>	<b>Risk Impact</b>
A = Certainty	4 = Negligible
B = Very likely	3 = Moderate
C = Likely	2 = Serious
D = Possible	1 = Major
E = Unlikely	

### Abbreviations list

Abbreviations	Description
AUM	Asset Under Management
CMO	Contract Monitoring Officer
CIPFA	Chartered Institute of Public Finance and Accountancy
DWP	Department for Work and Pensions
ESG	Environmental, Social and Governance
FCA	Financial Conduct Authority
GAD	Government Actuary's Department
ICT	Information and Communications Technology
ISS	Investment Strategy Statement
LCIV	London Collective Investment Vehicle
LGPS	Local Government Pension Scheme
LPB	LPB
LPPA	Local Pensions Partnership Administration
MAT	Multi Academy Trust
MHCLG	Ministry for Housing, Communities & Local Government
PFM	Pension Fund Manager, Finance
SAB	Scheme Advisory Board
SLT	Society of London Treasurers
TCFD	Task Force on Climate-related Financial Disclosures
tPR	The Pensions Regulator
UPM	Universal Pensions Management

Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
<b>OPERATIONAL RISKS</b>							
<b>PF 1</b>	<b>Operational Risk</b> Key person dependency in both finance and administration	Strategic Director of Resources	Key work areas not completed. Staff turnover increases due to workload. Lack of continuity and knowledge. Non-compliance with good governance.	Review of pensions teams, work plan and required resources to be undertaken.	AMBER B/2 Very likely / Serious	Develop training plan for officers. Finance Section has a vacant post. Head of Pensions and Treasury remains vacant. LCIV PASS obtained for 1 year to aid the development of staff. Consideration for decision making on LGPS matters to be prioritised.	Actions updated Oct 25
<b>PF 2</b>	<b>Operational Risk</b> Poor quality data provided	Director of Exchequer and Transaction Services	Incorrect employer contributions calculated Pay incorrect pensions. Members make ill informed decisions Fined by tPR. Reputational damage.	Data cleansing / controls in place to ensure accuracy of data. Monthly data submitted by all Scheme Employers. Data is reviewed and are queries raised. Data accuracy measured against the Pensions Regulator scoring criteria. Pensions Administration Strategy (revised April 2025) clarifies employer responsibilities.	GREEN E/3 Unlikely / Moderate	CMO monitors the data submissions and query responses As at 30 June 25, common data score of 98%, scheme specific data score of 92.5%. Positive feedback received from Hyman's on 2025 valuation uploads Employer performance is monitored against the PAS and support offered where required	Risk and Controls Reviewed by Officers Oct 25.  No changes recommended to current controls.
<b>PF 3</b>	<b>Operational Risk</b> Poor Pension fund administration by	Director of Exchequer and	Service Delivery failure leading to client/customer complaints, fines and reputational damage.	Formal agreement in place with LPPA, working to SLA's.  Contract monitoring in place	AMBER D/3 Likely /	LPPA have provide their annual AAF/01/20 "Type II" Service Auditors Assurance Report covering the period 01/04/24 to 31/03/25. This	Risk and Controls Reviewed by Officers Oct 25

Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
	the outsourced service LPPA.	Transaction Services		<p>LPPA have provided their AAF (Audit and Assurance Faculty) 01/20 "Type II" report, which provides an independent audit on the LPPA internal controls focusing on operational and financial processes.</p> <p>LPPA provides quarterly performance reporting to the LPB which is subject to challenge</p> <p>CMO works closely with LPPA to ensure legislative updates are implemented efficiently and accurately</p>	Moderate	report is a more rigorous assessment of the design and effectiveness of controls.	No changes recommended to current controls.
PF 4	<b>Operational Risk</b> Poor administration by the employers/payroll providers in the fund.	Director of Exchequer and Transaction Services	Service delivery failure leading to client/customer complaints and reputational damage.	<p>Pensions Administration Strategy in place to clarify the responsibilities of Scheme Employers and provide timescales for the submission of data.</p> <p>Employer performance is monitored and support offered by Havering Officers where required</p> <p>LPPA have a programme of employer training and a dedicated employer engagement team to provide support</p>	GREEN D/3 Possible / Moderate	<p>LPPA have a Efficiency and Service Improvement Plan in place which will aid receipt of good quality data and ensure accurate uploads are submitted by employers/payrolls</p> <p>Employer performance is monitored against the PAS and support offered where required</p>	<p>Risk and Controls Reviewed by Officers Oct 2</p> <p>No changes recommended to current controls.</p>

Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
PF 5	<b>Operational Risk</b> Employers pay wrong or late contributions	Director of Exchequer and Transaction Services	Default by employer.  Cash flow issues.	Monthly monitoring of contributions. Early employer engagement.	GREEN C/3 Likely / Moderate	Continue monthly monitoring and escalation through Administration Strategy.	Actions updated Oct 25
PF 6	<b>Operational Risk</b> Pension Fund accounts are not appropriately monitored	Strategic Director of Resources	Adverse audit opinion.  Accounting reports (IAS19, IAS26 FRS102 need to be restated)	Detailed reconciliations carried out regularly.  Experienced personnel in place.  Custodian service provides asset values and performance measurement.	GREEN E/3 Unlikely / Moderate	2023/24 Accounts –audited – unqualified opinion issued. 2024/25 Accounts – audit in progress  Review staffing arrangements in line with good governance recommendations.	Actions updated Oct 25
PF 7	<b>Operational Risk</b> Poor communications with stakeholders.	Director of Exchequer and Transaction Services	Potential breach of regulations and member entitlement  Potential for litigation.	Communications Strategy published, Reviewed every 3 years.  LPPA has an LGPS dedicated website that contains all relevant information for scheme members and employers.  Havering maintain a dedicated Pensions Administration page within the Havering.gov.uk website  The communication plan and evidence that supports the strategy is presented to Board twice a year	GREEN E/3 Unlikely / Moderate	Review communication policy and ensure the plan is kept up to date and is adapted to include new legislation and time critical news	Actions updated Oct 25
PF 8	<b>Operational Risk</b> Contracts expire	Strategic Director of Resources	No valid legal agreement in place.  Breach of legislation and procurement rules.	Add contracts register to the business plan to ensure reviewed at least annually.	GREEN D/3 Possible /	Actuary, Investment Advisor and Custody contracts are all in progress.	Actions updated Oct 25

Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
			Challenge from suppliers.		Moderate	Officers working with procurement.	
PF 9	<b>Operational Risk</b> LCIV resourcing – LCIV staff turnover.	Pensions Committee	Undermines investor confidence in the LCIV.	Continued monitoring of LCIV in place.	GREEN D/3 Possible / Moderate	Remaining unpooled assets to transfer to LCIV management by 31 March 2026. Investment advisor to support the committee to understand the new governance structures	Actions updated Oct 25
PF 10	<b>Strategic Risk</b> Where MATS hold membership across various funds, they may opt to consolidate to a single Pension Fund.	Strategic Director of Resources	Current proposal to remove Secretary of State approval for MAT's to consolidate into a single administering authority.  Approx 10% of fund assets and liabilities are allocated to academies.	Robust cash flow modelling to ensure sufficient cash to meet benefits obligations.	AMBER C/2 Likely / Serious	Continue to monitor the consultation and be aware of changes in legislation.  Seek support from Administrator and Actuary as required.	Actions updated Oct 25
PF 11	<b>Operational Risk</b> Cyber attack to either the Council or the Administrator leading to critical service delivery failure to undertake tasks	Strategic Director of Resources	Financial loss Reputational damage Unable to pay benefits on time	Key mitigations in place to protect entry points to our network (MFA, SOC etc.).  Backups to enable the council to recover its data in the event of a cybersecurity incident. This reduces the likelihood of an attack being successful.  24/7 monitoring via Security Operations Centre (SOC) contract.	AMBER C/2 Likely / serious	Work is underway to further mitigate as part of future 3 <sup>rd</sup> party partner contractual arrangements and plans to move on premise infrastructure to the cloud.  Staff and councillor training and awareness activities around cyber security best practices continue on an ongoing basis to strengthen our posture.  Services to have specific Business Continuity Plans detailing how they would approach service delivery	Actions updated Oct 25

Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
				<p>Regular scanning and patching of IT vulnerabilities.</p> <p>Regular mandatory training on cyber security for all staff.</p> <p>Regular vulnerability scanning of the network and remediation as needed on all high/critical risks.</p>		<p>when facing continued lack of IT.</p> <p>Regular testing of Disaster Recovery processes.</p> <p>Review and update on conditional access policies as part of Havering sovereign Microsoft tenancy optimisation.</p> <p>LPPA have the Cyber Essentials Plus accreditation alongside the ISO 27001 accreditation which provides assurance of robust cyber defence and response mechanisms</p>	
<b>PF 12</b>	<b>Operational Risk</b> Insufficient resource/legislative guidance to complete McCloud retrospective calculations and include remediable service in the 2025 Annual Benefit Statements	Director of Exchequer and Transactional Services	<p>Delayed pension calculations</p> <p>Investigation by tPR</p>	<p>Havering Pension Fund have implemented their discretion to extend the inclusion of remediable service deadline to 31 August 2026 where required.</p> <p>CMO is working with LPPA to ensure retrospective calculations are carried out without undue delay</p>	<p>GREEN</p> <p>D/3</p> <p>Possible / Moderate</p>	<p>Assurances have been given by software provider and LPPA that following rigorous testing and where legislation and guidance have been released, retrospective calculations will be completed and remediable service information will be included in the 2026 ABS.</p>	<p>Actions updated Oct 25</p>
<b>FINANCIAL RISKS</b>							
<b>PF 13</b>	<b>Strategic Risk</b> Lack of or poor professional	Strategic Director of Resources	Potential for financial loss or missed opportunities	FCA Regulated Investment Advisor appointed to advise the Pension Committee.	<p>GREEN</p> <p>E/3</p>	<p>Investment advice will pass to London CIV as part of the Governments 'Fit for the Future' reforms.</p>	<p>Actions updated Oct 25</p>

Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
	investment advice received			Review investment advisor performance annually – last review 03/010/2025	Unlikely / Moderate	The Fund intends to have an independent investment advisor to provide oversight and challenge of the pool.	
<b>PF 14</b>	<b>Strategic Risk</b> Concentration risk by asset class, region or sector. Lack of clear risk appetite.	Pensions Committee	Misjudged needs may lead to overly cautious or excessive risk-taking.	ISS reviewed quarterly by the Committee  Diversified portfolio reduces concentration risk  Members briefed on risk-return implications of ISS changes	GREEN E/3 Unlikely / Moderate	ISS reviewed every three years	Risk and Controls Reviewed by Officers Oct 25  No changes recommended to current controls.
<b>PF 15</b>	<b>Strategic Risk</b> Investments do not perform in-line with growth expectations	Pensions Committee	The Fund's assets are not sufficient to meet its long-term liabilities.  Increases employer contributions.  Reputational damage.	Fund Manager selection undertaken by LCIV, FCA regulated investment pool.  Product reviews and due diligence are undertaken by the Investment Advisor before the Fund invests.	GREEN E/3 Unlikely / Moderate	Fund Managers attend Pension Committee to present quarterly performance reports and are challenged by the Committee and Investment Advisor.	Risk and Controls Reviewed by Officers Oct 25  No changes recommended to current controls.
<b>PF 16</b>	<b>Strategic Risk</b> Underperformance of LCIV Fund manager. Failure to achieve Asset Under Management (AUM) Target	Pensions Committee		Officers attend LCIV monthly business meetings to ensure the Fund is up to date with LCIV events. Summaries reported to the Pensions Committee quarterly,  LCIV arrange regular "meet the manager" sessions that are open to Officers and Committee members.	GREEN D/2 Possible / Serious	LCIV will attend future committee meetings and report on performance  LCIV monitor fund manager performance – monitoring status awarded "normal", "enhanced" or "on-watch". Deep dives undertaken annually or more frequently	Actions updated Oct 25

Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
						if on “enhanced” monitoring or “on watch	
PF 17	<b>Strategic Risk</b> Climate Risk / Responsible investment considerations	Pensions Committee	Climate change could impact negatively on financial outcomes e.g. stranded assets, carbon taxes etc.	The Committee have developed a set of Investment beliefs that recognises that climate change and the expected transition to a low carbon economy represents a long –term financial risk to Fund outcomes and these beliefs are incorporated as part of the ongoing implementation of investment strategy	AMBER C/2 Likely / serious	Workshop to assess progress against Responsible Investment beliefs held 29/09/2025 – recommendation paper to follow.	Actions updated Oct 25
PF 18	<b>Strategic Risk</b> Failure to transfer assets to LCIV by 31 March 2026	Pensions Committee	Secretary of State intervenes.  Reputational damage	Transition meetings held with LCIV.	GREEN E/3 Unlikely / Moderate	Fund have procured LCIV on a management support function. This should aid transition.	Actions updated Oct 25

## FUNDING RISKS

PF 19	<b>Strategic Risk</b> Inappropriate assumptions used by actuary in calculations for valuation.	Strategic Director of Resources	Inappropriate investment risk may be adopted and deficit not reduced.  Increased employer contributions.	Valuation completed by a qualified actuary using prudent assumptions which are discussed with officers in the planning phase.  Government Actuary Dept review valuation results against 4 aims set out in the Public Service Pensions Act 2013, Section 13 (S13); compliance, constituency, solvency, long-term cost efficiency	GREEN E/3 Unlikely / Moderate	Officers meet regularly with the Fund Actuary throughout the valuation process.  Mid valuation report to plot progress.	Risk and Controls Reviewed by Officers Oct 25.  No changes recommended to current controls.
PF 20	<b>Operational Risk</b>	Strategic Director of Resources	Default by Employers resulting in liabilities being funded by remaining	The Administrating Authority has a policy included within its FSS, setting out its approach to	GREEN D/2	Monthly monitoring of contributions.	Actions updated Oct 25



Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
	Employers ability to meet contribution rates determined by the Actuary in the Rates and Adjustment certificate.		active employers in the Scheme.	reviewing contribution rates between triennial valuations.	Possible / Serious	Engage with employers on draft FSS.	
<b>REGULATORY AND COMPLIANCE RISKS</b>							
<b>PF 21</b>	<b>Operational Risk</b> Lack of understanding and awareness amongst those charged with governance  Does not comply with CIPFA Knowledge and Skills guidance	Strategic Director of Resources	Poor decision making  Loss of investor status MIFID II. Unable to make investments.	Investment Advisor attends quarterly Pension Committee meetings and provides training as appropriate.  Knowledge and skills training of LPB and Committee Members / Inductions carried out for new LPB and Pension Fund Committee members  Subscription to Fund Actuary (Hymans) online learning platform (LOLA)	GREEN D/2  Possible / Serious	Officers to continue to monitor and report completion of LOLA modules  London CIV to support the creation and delivery of a training strategy.	Actions updated Oct 25
<b>PF 22</b>	Policies are not updated in line with updated guidance	Pensions Committee	Non compliance  Fines from tPR.  Challenge from stakeholders	Officers, fund actuary, investment advisor and asset pool manager are monitoring LGPS landscape for changes.	GREEN E/3  Unlikely / Moderate	Officers to work with LCIV to determine which policies can be reviewed by their governance team.	Actions updated Oct 25
<b>PF 23</b>	<b>Operational Risk</b> Delays in internal processing of documentation/	Strategic Director of Resources	Contribution delays from the employers & members until on-boarding has	Employer on boarding process in place.  Script in place to deliver to new Academy employers, with	GREEN E/3  Unlikely /	Officers to identify reasons for delays as they arise and escalate as necessary.	Actions updated Oct 25

Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
	admission agreements.		<p>been completed impacts cash flow.</p> <p>Late payment of pension benefits pending on-boarding of new employers</p>	<p>feedback process in place. CMO maintains communications and contact with employers to provide dedicated point of contact</p> <p>Admission agreements now pass-through</p> <p>Officers liaise with Legal colleagues to ensure Legal requirements are met in a timely manner</p> <p>Policies to support Scheme Employer, Pensions Administration Strategy, Admissions Policy, Outsourcing Guide</p>	Moderate		
PF 24	<p><b>Operational Risk</b></p> <p>Conflict of interest between council and the Fund</p>	Strategic Director of Resources	Decisions may be taken in the best interest of either party.	Be clear in requirements of the Fund/Council and roles and responsibilities of all entities.	AMBER C/2 Likely / serious	Fund to follow advice in the SAB good governance once published.	Added Oct 25
PF 25	<p><b>Operational Risk</b></p> <p>Conflict of interest.</p>	Strategic Director of Resources	Inappropriate decision making.	Register of interest declarations are covered within the agenda at all LPB/Committee meetings.	GREEN E/3 Unlikely / Moderate	Declarations of interest reviewed annually	Actions updated Oct 25