

## Appendix 1

### London Borough of Barnet Pension Fund Risk Register October 2015

Risk		Current Assessment			Control Actions	Risk Status	Committee Assurance (timing)	Target assessment		
		Impact	Probability	Rating				Impact	Probability	Rating
Long-term investment strategy for the Pension Fund has low chance of delivering return required to meet fully funded objectives		Major	Likely	High	Review current fund specific benchmarks based on asset-liability -modelling of liabilities. Revise investment strategy through investment diversification and asset class re-allocation	Treat	Quarterly	Major	Unlikely	Medium High
		4	4	16				4	2	8
Investment managers under perform relative to the benchmark over the medium term.		Major	Possible	Medium High	Quarterly investment monitoring in place to analyse market performance against the performance of the investment manager. Investment strategy under review. Review meetings held with managers if concern over performance	Treat	Quarterly	Major	Possible	Medium High
		4	3	12				4	3	12
Fund assets fail to deliver returns in line with actuarial assumptions		Major	Possible	Medium High	Annual actuarial review and triennial valuation on all employers anticipate long term returns on prudent basis	Tolerate	Quarterly	Major	Possible	Medium High
		4	3	12				4	3	12

Effect of possible increase in employer's contribution rate on service delivery and affordability for scheme employers		Major 4	Possible 3	Medium High 12	Manage impact by deficit spreading and phasing in of contributions rises. Deficit funding through monetary contributions	Tolerate	Quarterly	Major 4	Possible 3	Medium High 12
Significant reduction in funding level following triennial actuarial valuation		Major 4	Possible 3	Medium High 12	Triennial review of funding strategy statement investment strategy and actuarial assumptions following actuarial valuation to maximise funding levels in context of affordability to the Council and other scheme employers.	Tolerate	Actuarial valuation in March 2016	Major 4	Possible 3	Medium High 12
Rebalancing of portfolios to approved asset allocations delayed due to market volatility		Major 4	Possible 3	Medium High 12	Scheduled timetable for sale and transfer of assets to ensure transition completed in agreed timeframe	Treat	Quarterly	Major	Possible	12
Strength of covenant of new employers /risk of financial loss to Pension Fund		Major 4	Unlikely 2	Medium High 12	Ensure Bond arrangements maintained and renewed. Pension Fund Committee monitors Admission agreements bond renewals	Treat	Quarterly	Major 4	Unlikely 2	Medium High 12