

Appendix 9

Risk Register – Top 5 Risks

	Risk	Management Actions
1	The Fund fails to achieve investment returns sufficient to fund its liabilities. This could negative affect the contributions paid by the employing bodies.	<p>Periodic reviews of investment strategy.</p> <p>Annual and quarterly monitoring of strategic allocation, investment returns and tactical opportunities.</p>
2	Insolvency of Participating Employers in the Fund without sufficient monetary guarantees or bonds to make good their outstanding liability. Any liability will be absorbed by the Fund and spread across other employers, increasing overall liabilities and employer contribution rate and reduce the funding level.	<p>Fund policy is to only admit Transferee and Community Admission bodies where the pension liabilities are guaranteed by a scheme employer.</p> <p>Covenant assessment monitoring process in place to annually assess financial standing of all employers in Fund, including review of all employers to identify whether guarantee arrangements are adequate and explore options for obtaining guarantee, bond or contingent assets if appropriate</p>
3	Lack of continuity within the Avon Pension Fund Committee. Until new members fully trained this could delay decision making.	<p>Wide representation on Committee including 2 Independent Members not subject to electoral cycle.</p> <p>Training made available to new members.</p>
4	The investment managers appointed by the Fund to manage the assets fail to achieve their benchmarks. This could cause the Fund to underperform its strategic benchmark and thus fail to achieve the investment returns required to fund the liabilities. This could negatively affect the contribution rates paid by the employing bodies.	<p>Monitoring the performance of the managers is delegated to the Panel. The RAG performance monitoring framework in place to identify managers that are underperforming and issues that could impact future performance.</p> <p>Issues and changes in RAG ratings are reported to the Panel who agree an action plan to address the issue.</p> <p>The Panel reports quarterly to committee on the performance of the managers and changes in RAG ratings.</p>
5	Systems failure or lack of accessibility to systems. This could result in potential loss of data, need to re-process data, fall in productivity, potential corruption of data, delay in payment of pensions	<p>Policies in place with relevant parties to ensure continuity of service issues are addressed within an agreed timeframe.</p> <p>Daily back up of pensions system limits loss of data, re-processing of data.</p> <p>Rely on B&NES systems of control and firewalls to prevent virus attacks.</p>