

Alert	Risk Ref	Risk Identified	Potential Consequence	Date Identified	Service Area	Inherent Profile	Owner	Portfolio Holder	Director or Head of Service	Control/Action	Control Action Details	Residual Profile	Review Date
0	INVEST0001	Pension Fund assets fail to deliver returns in line with the anticipated returns underpinning the valuation of liabilities over the long-term.	Increased employer contribution rates.	25/01/2016	Investment Risk	Medium	Chris Hurst	Cllr David Thomas	Jane Thomas	anticipate long-term returns on a relatively prudent basis to reduce the risk of under-performance.	Only anticipate long-term returns on a relatively prudent basis to reduce the risk of under-performance. Also monitors and analyses progress every three years for each employer. In addition, the Fund receives quarterly funding updates to help monitor the position.	Medium	10/07/2022
0	INVEST0002	Inappropriate long-term investment strategy.	Failure to meet funding objectives.	25/01/2016	Investment Risk	Medium	Chris Hurst	Cllr David Thomas	Jane Thomas	Use of a Fund specific benchmark, as recommended by the Fund's investment consultant.	Use of a Fund specific benchmark, as recommended by the Fund's investment consultant.	Medium	10/10/2022
0	INVEST0003	Active investment manager under-performance relative to the benchmark.	Failure to meet funding objectives.	25/01/2016	Investment Risk	Medium	Chris Hurst	Cllr David Thomas	Jane Thomas	Short-term (quarterly) investment monitoring analyses market performance and active managers relative to their index benchmark.	Short-term (quarterly) investment monitoring analyses market performance and active managers relative to their index benchmark.	Low	10/07/2022
0	INVEST0004	To permit deficits to be eliminated over a recovery period rather than immediately, introduces the risk that action to restore solvency is insufficient between successive measurements.	Increased employer deficit recovery payments.	29/01/2018	Investment Risk	Medium	Chris Hurst	Cllr David Thomas	Jane Thomas	discuss every such situation with the Pension Fund actuary, for each individual employer.	It is the practice to discuss every such situation with the Pension Fund actuary, for each individual employer. Moreover deficit recovery periods are generally restricted to no more than 25 years, or 40 years in very exceptional circumstances.	Low	10/07/2022
0	INVEST0005	Permitting contribution rate changes to be introduced by annual steps rather than immediately, introduces a risk that action to restore solvency is insufficient between successive measurements.	Increased employer contribution rates.	25/01/2016	Investment Risk	Medium	Chris Hurst	Cllr David Thomas	Jane Thomas	Each individual employer situation is discussed with the Pension Fund actuary, with stepping restricted to three years, or 6 years, in very exceptional circumstances.	Each individual employer situation is discussed with the Pension Fund actuary, with stepping restricted to three years, or 6 years, in very exceptional circumstances.	Medium	10/10/2022
0	INVEST0006	Pay and price inflation significantly more than anticipated.	Increased employer contribution rates and deficit recovery payments.	30/01/2017	Investment Risk	High	Chris Hurst	Cllr David Thomas	Jane Thomas	Employers 'pay' for their own salary awards and are reminded of the geared effect on salary-linked pension liabilities	Employers 'pay' for their own salary awards and are reminded of the geared effect on salary-linked pension liabilities. Particularly where bias towards longer serving employees may be considered.	Medium	10/07/2022
0	INVEST0007	Insolvency of an investment manager investing Pension Fund assets.	A reduction in the capital value of the Fund; a loss of liquidity as creditors agree on distribution of assets; the costs of legal representation; and, reputational damage.	03/03/2016	Investment Risk	High	Chris Hurst	Cllr David Thomas	Jane Thomas	Increased investment manager diversification may be further facilitated by pooling via the Wales Pool that is currently under development. diversification of investment managers, limits for individual investments mandates.	Increased investment manager diversification may be further facilitated by pooling via the Wales Pool that is currently under development. As agreed by P & I Committee on 9th February 2017, when entering into new contractual arrangements with investment managers, contract documentation is to be referred to the Fund's legal advisers for review and appropriate due diligence.	Medium	05/07/2022
0	INVEST0008	Pooling of Pension Fund assets with other LGPS Pension Funds.	Investment of Fund Officer and Committee time and other resource with unknown outcomes; front loaded costs before potential savings are realised; potential loss of local accountabilities; and, the loss of the primacy of the Fund and its strategic needs.	30/03/2017	Investment Risk	High	Chris Hurst	Cllr David Thomas	Jane Thomas	Due diligence on all pooling proposals; full transparency of all pool proposals and costs; full participation of Pension Fund. Pooling vehicle to be structured so that each participating Fund has full representation the pool	Due diligence on all pooling proposals; full transparency of all pool proposals and costs; full participation of the Pension Fund in all pooling development.	Medium	08/10/2022
0	INVEST0009	MIFID II ongoing compliance	Financial implications of not being treated as an institutional investor	01/10/2019	Investment Risk	High	Chris Hurst	Cllr David Thomas	Jane Thomas	Regular Review of MIFID Status	Regular Review of MIFID Status	Medium	10/07/2022
0	INVEST0010	Fall in the returns on Government bonds.	Increase to the value placed on Fund liabilities.	01/01/2015	Investment Risk	High	Chris Hurst	Cllr David Thomas	Jane Thomas	Allowing for a risk-based approach should limit the impact of short-term changes in returns on Government bonds	Allowing for a risk-based approach should limit the impact of short-term changes in returns on Government bonds. Some investment in bonds also helps to mitigate this risk. Monitoring (quarterly) helps to give an early warning of significant changes.	Medium	10/07/2022
0	INVEST0011	Increased risk on Fund Employers.			Investment Risk	Medium	Jane Thomas	Unassigned	Jane Thomas			Medium	04/05/2023