

Pension Risk Management – a trustee perspective
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Pension Fund Risk A trustee perspective

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Agenda

Presentation overview

- The Barclays UK Retirement Fund – an overview
 - Key facts and figures
 - Governance
- Risk and Assurance Framework
 - Risk Register
 - Assurance Framework
- Lessons learnt.

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Background

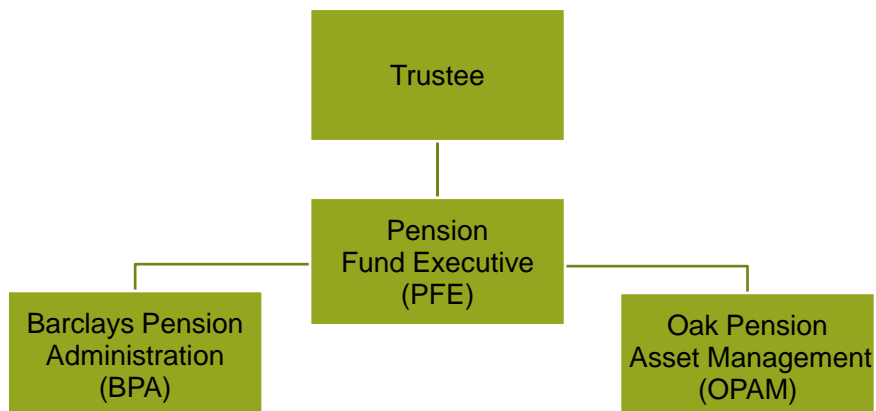
The Barclays UK Retirement Fund

- C £19bn in assets, c 250,0000 members
- High complexity
- Final salary sections closed to new entrants/future accrual
- Two remaining open sections
 - Afterwork
 - PIP
- £4.8bn deficit as at 30 September 2010 (2007 assumptions)

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Governance



Trustee Objectives and Principal Risk Categories

Objective	Principal Risk Categories
Governance	<ul style="list-style-type: none"> - Structural - Implementation - Legislation
Member security	<ul style="list-style-type: none"> - Employer covenant - Asset risks - Liability risks
Member outcomes	<ul style="list-style-type: none"> - Member services - Member communications

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The Risk and Control Register

Risk	<ul style="list-style-type: none"> • Owner • Impact • Likelihood
Control	<ul style="list-style-type: none"> • Owner • Operator • Type of control
Other	<ul style="list-style-type: none"> • Key indicators; commentary • RAG rating

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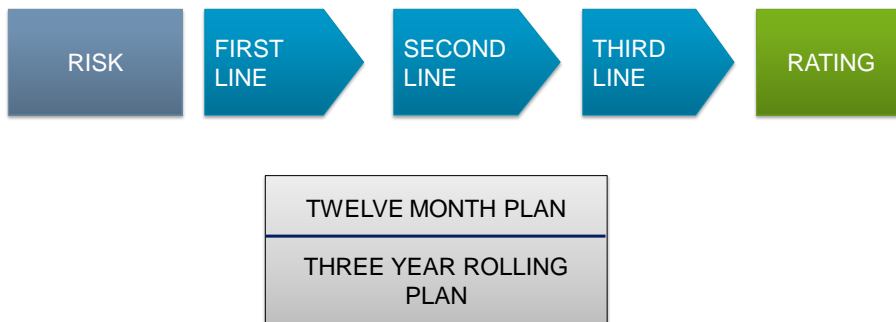
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Three Lines of Defence

Line of defence	Components
First line of defence	<ul style="list-style-type: none"> - Controls - Barclays policies - Embedded in business
Second line of defence	<ul style="list-style-type: none"> - BPA compliance oversight - OPAM compliance oversight - PFE compliance oversight - Quarterly Risk & Compliance meeting - Bespoke monitoring and reporting tools
Third line of defence	<ul style="list-style-type: none"> - Third parties e.g. actuaries, accountants - Barclays Internal Audit - Trustee Audit Committee

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APPLICATION IN PRACTICE



Lessons learnt

- Culture
 - Personal accountability; embed in business
 - Leadership
- Tools
 - Simplicity
 - 'At a glance' reporting and visibility
- Clear governance and assurance framework
- Stakeholder management
- Regular reviews; emerging risks
- Prioritisation

Lessons learnt

- Art not just science

Questions or comments?

The views expressed in this presentation
are those of the presenter.

