

Risk Register: Merseyside Pension Fund (Updated on 26/03/09)

Sectional Objective/Departmental Aim			Responsible Officer			Risk Register												
Summary						Scores						Existing Controls	Additional Controls	Target Date	Status			
Risk Factor No.	Date Raised	Date Last Reviewed	Risk Owner	Risk Category	High/Medium/Low	Gross Scores			Net Scores									
Description of Risk						Likelihood	Impact	Total	Likelihood	Impact	Total							
1	28.01.09	26.03.09	GH	Information/Technological	Medium	Failure to keep abreast of technological innovations and maintain development of appropriate systems (We do not exploit all available resources, including technology) Refer to detailed IT risk register per Operations (attached)			Refer to the detailed risk register per operations			Refer to attached register.						
2	28.01.09	26.03.09	PJW	Physical	Low	Destruction of or inability to access premises (Key council services are not resilient to disruption and business continuity arrangements are inadequate)			2	5	10	1	5	5	IT continuity planning in place	MPF continuity Plan to be formalised	Dec 09	Started
3	28.01.09	26.03.09	PJW	Operational	Low	A significant loss through internal fraud damages the Fund's reputation.			3	4	12	2	3	6	1. Internal controls 2. Compliance manual 3. Procedure manual	Regular monitoring kept up-to-date		
4	28.01.09	26.03.09	PJW	Regulatory	High	A significant loss through external fraud damages the Fund's reputation.			3	4	12	2	3	12	Appropriate operational due diligence on appointment	Ongoing review of SAS 70	Dec 09	
5	28.01.09	26.03.09	PJW	Regulatory	Low	The Fund's investment policies generate adverse media coverage/publicity.			3	4	12	2	3	6	Clear policies in SIP LAPFF/PIRC affiliations P.R. Officer/media protocol in place.	Develop website to enhance information on policies and activities	Dec 09	Ongoing
6a	28.01.09	26.03.09	LO PGM GFM GH	People	Medium	Key skills / knowledge may be lost if key staff leave the Division <ul style="list-style-type: none"> Need to recruit and retain staff Investments Administration Accounting Operations 			3	4	12	3	3	9	KIE Pay scales are competitive and training & staff development is encouraged and supported	HR staff Development Policies Greater sharing of knowledge including Fire Pensions to be developed and central filing system making use of Civica General Filing module.	Implement general policy by Dec 09	
6b	28.01.09	26.03.09	LO PGM GFM GH	People	Medium	Staff are not given appropriate training and development to ensure appropriate technical knowledge and understanding of their roles <ul style="list-style-type: none"> Investments Administration Accounting Operations 			3	4	12	3	3	9	KIE/Training Training undertaken by Team Leaders with assistance from Training Officer & use of external expertise when needed (LGE). Information circulated widely at Team briefs and by email.	Attendance & Participation at conference/seminar Detailed procedure manuals to be developed for reference purposes	Ongoing Ongoing Dec 2009	

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7	28.01.09	26.03.09	PGM	People	Medium	Fund Employers do not play their parts fully, in time and to the required standards	5	4	20	3	3	9	Training courses provided PLOG meetings with large employers and Update circulated with important information AEC Annual Report	Employers Guide to be updated and circulated Service Standards Agreement to be consulted on and produced	June 2010	7
8	28.01.09	26.03.09	PJW PGM	People	Medium	Departments / regulators do not play their parts fully, in time and to the required standards <ul style="list-style-type: none"> • Wirral • Procurement • CLG 	3	4	12	2	4	8	Oversight by DMT Oversight by DMT Oversight by LGE	Corporate performance management by DMT and Internal/external audit	Ongoing	8
9	28.01.09	26.03.09	LO	Financial	Medium	Adverse microeconomic factors hinder the Fund from achieving its projected investment returns.	4	4	16	3	3	9	Triennial ALM FSS./SIP Asset Allocation External and Internal Investment Manager Monitoring Performance Benchmarks WM Performance data Independent Advisers IMWP FOG	Heightened due diligence Re: External Managers.		
10	28.01.09	26.03.09	LO GFM	Financial	Medium	Management of Investment risks (including operational and counter-party investments) (Factors mainly beyond our control).	4	4	16	3	3	9	Triennial ALM Asset Allocation External and Internal Investment Manager Monitoring Performance Benchmarks WM Performance Independent Advisers IMWP FOG	Heightened due diligence Re: External Managers.		

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11	28.01.09	26.03.09	PJW	Operational	Low	Failure of suppliers to perform to the required standards (non-IT/Investments) Actuary, AVC's, Custodian, Bank, Euraplan, Bloomberg, WM, Inalytics, PIRC, Capital Dynamics, CBRE, Savills, Colliers, Brabners.	2	4	8	2	3	6	Procurement procedures Monitoring of service standards & delivery			
12	28.01.09	26.03.09	PJW	People	Low	Decisions taken by members without appropriate support or sufficient knowledge and experience.	3	5	15	2	3	6	IMWP Pensions Committee Internal training events Seminars/Conferences Induction pack	New training needs analysis in Induction pack		
13	28.01.09	26.03.09	PGM	Regulatory	Low	Failure to comply with Administration regulations	3	5	15	3	3	9	Specific responsibilities & Compliance requirements clearly defined. Checks built in to workflow processes. Internal checking of entitlements and payments	Detailed Procedures Manuals to be produced	Dec 09	Work Started
14	28.01.09	26.03.09	GFM	Regulatory	Low	Failure to comply with Accounting regulations	3	5	15	3	3	9	Annual accounts cross checked against Pensions SORP Annual accounts cross checked against DCLG guidance Liaison with Wirral Chief Accountant re: LA SORP Action participation in CIPEA Pension Network Investment accounting from Custodian	Awaiting final DCLE guidance re: Annual Report Use of Oracle for accounts	Oct 09 Oct 09	Awaiting guidance Ongoing
15	28.01.09	26.03.09	LO	Regulatory	Medium	Failure to comply with Investment regulations	3	5	15	3	3	9	Triennial ALM Asset Allocation External and Internal Investment Manager Monitoring Performance Benchmarks WM Performance Independent Advisers Specific responsibilities & Compliance Requirements clearly defined			

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16	28.01.09	26.03.09	PJW	Operational / people	Medium	Failure to communicate MPF objectives and tasks to staff.	3	4	12	2	4	8	KIE FOG Investment Meetings Post FOG meetings Team Brief	Working with DMT to raise profile of departmental and divisional plans.		
17a	28.01.09	26.03.09	PJW	Operational / people	Medium	In respect of R.F. 16 above, failure to monitor and implement MPF objectives and tasks.	3	4	12	2	4	8	KIE FOG Investment Meetings Post FOG meetings Team Brief Compliance monitoring Managers Assurance Statement			
18	28.01.09	26.03.09	PJW	Operational	Medium	Failure to communicate and implement Corporate Policy e.g. HR, Diversity, H&S, Data Protection Act, FOI	3	4	12	2	4	8	Attendance at internal training events Team Brief to publicise changes and initiatives.		Ongoing	
19	28.01.09	26.03.09	GFM	Operational	Medium	Failure to communicate, implement and monitor Internal Compliance Manual.	3	4	12	2	4	8	Regular review of Compliance Manual.	Regular quarterly monitoring undertaken	Dec 09	Not yet in place
20	28.01.09	26.03.09	PGM GFM	Operational	Medium	Failure to deliver agreed levels of service. Pensioner Payroll, HMRC, VAT	4	5	20	3	3	9	Performance targets clearly defined, responsibilities separated and performance monitored	Service Standards Charter to be developed into new Service Standards Policy	Dec 09	To be started
21	26.02.09	26.03.09	GFM	Operational	Medium	Failure to implement Investment Accounting System.	3	5	15	2	4	8	Strong project management. Regular review meetings. Wirral involvement/support		Dec 2009	ongoing