

WIRRAL COUNCIL

PENSIONS COMMITTEE

27 JUNE 2011

SUBJECT:	BANK AND OTHER AUTHORISED SIGNATORIES
WARD/S AFFECTED:	ALL
REPORT OF:	DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER:	
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report sets out the proposed changes to authorised signatories at Merseyside Pension Fund, following the departure of some of the existing authorisers.
- 1.2 The report describes the different requirements for different institutions and functions, including the bankers, custodian, overseas pensions payment agent, as well as the granting of power of attorney where appropriate.
- 1.3 The report also refers to operational decisions regarding authorised signatories for other transactions and procedures, by officers nominated by the Director of Finance. However, for the avoidance of doubt by organisations undertaking due diligence on MPF as an investee company or as a financial services provider, or as an overseas jurisdiction, putting such arrangements in the public arena can avoid administrative inconvenience.

2.0 RECOMMENDATIONS

- 2.1 That the following officers be authorised to open, close and amend bank accounts, authorise instructions for the payment of benefits and for investment transactions, for the accounts with the bankers (Royal Bank of Scotland), with the Global Custodian (State Street), and with other financial institutions for the purpose of making and redeeming deposits, "open" cheques, and counter sign cheques over £10,000:

Director of Finance	Ian E. Coleman
Deputy Director of Finance	David L.H. Taylor-Smith
Head of Financial Services	Thomas W. Sault
Head of Benefits, Revenues and Customer Services	Malcolm J. Flanagan
Head of IT Services	Geoffrey W. Paterson
Head of Support Services	Michael J. Fowler
Principal Pensions Officer	Yvonne M. Caddock
Members Services Manager	Margaret M Rourke
Operations Manager	Guy W. Hayton

- 2.2 That Members confirm that the following officers have powers to authorise investment decisions and relevant documentation, but not to authorise the transfer of money:

Head of Pension Fund	Peter J. Wallach
Senior Investment Manager	Leyland K. Otter
Investment Manager	Patrick G. Dowdall

- 2.3 That Members note that, for the purposes of due diligence verification, Patrick G. Dowdall, Investment Manager, is designated an authorised officer.
- 2.4 That Members confirm, for the avoidance of doubt, that the Director of Finance can designate officers of MPF to exercise powers of attorney on behalf of MPF and Wirral Metropolitan Borough Council, which, from 1 July 2011, requires two of the following officers:

Head of Pension Fund	Peter J. Wallach
Senior Investment Manager	Leyland K. Otter
Principal Pensions Officer	Yvonne M. Caddock
Investment Manager	Patrick G. Dowdall

3.0 REASONS FOR RECOMMENDATIONS

- 3.1 The following authorising officers will leave Wirral Council by 30 June 2011, and will have their powers to authorise cancelled: Peter G. Mawdsley, Gerard F. Moore and Kevin J. Greenough.
- 3.2 For operational reasons, it is necessary to supplement the remaining list. Due to delays in approval of the consequential restructuring, at the time of reporting, it has not yet been possible to appoint to two posts for which I will be requesting approved signature status. A further report will therefore be presented to the next meeting of this Committee.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 The current approved signatories to the Royal Bank of Scotland and State Street accounts are:-

Director of Finance	Ian E. Coleman
Deputy Director of Finance	David L.H. Taylor-Smith
Head of Financial Services	Thomas W. Sault
Head of Benefits, Revenues and Customer Services	Malcolm J. Flanagan
Head of IT Services	Geoffrey W. Paterson
Head of Support Services	Michael J. Fowler
Deputy Head of Pension Fund	Peter G. Mawdsley
Financial Controller	Gerard F. Moore
Benefits Manager	Kevin J. Greenough
Members Services Manager	Yvonne M. Caddock

- 4.2 For the accounts with the bankers (Royal Bank of Scotland) and the Global Custodian (State Street) approval is requested for the following signatories:-

Director of Finance	Ian E. Coleman
Deputy Director of Finance	David L.H. Taylor-Smith
Head of Financial Services	Thomas W. Sault
Head of Benefits, Revenues and Customer Services	Malcolm J. Flanagan
Head of IT Services	Geoffrey W. Paterson
Head of Support Services	Michael J. Fowler
Principal Pensions Officer	Yvonne M. Caddock
Members Services Manager	Margaret M Rourke
Operations Manager	Guy W. Hayton

- 4.3 These responsibilities will include powers to open, close and amend bank accounts, authorise instructions for the payment of benefits and for investment transactions, for the accounts with the bankers (Royal Bank of Scotland), and with the Global Custodian (State Street), and with other financial institutions for the purpose of making and redeeming deposits, "open" cheques, and counter sign cheques over £10,000:

- 4.4 For reasons of internal control, officers are empowered to authorise investment decisions and relevant documentation, but without powers to authorise the transfer of monies:

Head of Pension Fund	Peter J. Wallach
Senior Investment Manager	Leyland K. Otter
Investment Manager	Patrick G. Dowdall

- 4.5 Other officers can make investment decisions up to their limits as specified in the Compliance Manual. Following the staffing changes, an updated version of the Compliance Manual should be presented to Committee in November 2011.

- 4.6 Authorisation of the routine monthly pension payroll is subject to separate internal arrangements by personnel nominated under the operational responsibilities of the Director of Finance. These cover both the release of the monthly domestic BACSTEL payments and the release via Citi bank of the payment of pensions overseas.
- 4.7 On 18 June 2009, Pensions Committee, for the avoidance of doubt, formally confirmed that the Director of Finance can designate officers of MPF to exercise powers of attorney, with a minimum of two signatures from four designated officers. As two of the nominees, Peter G Mawdsley and Gerard F Moore are retiring, replacements are necessary. It is therefore proposed that from 1 July 2011, the following officer shall have such powers:

Head of Pension Fund	Peter J. Wallach
Senior Investment Manager	Leyland K. Otter
Principal Pensions Officer	Yvonne M. Caddock
Investment Manager	Patrick G. Dowdall

- 4.8 Investee companies, financial services providers and overseas jurisdictions perform due diligence work on MPF as an investor and organisation. To facilitate the provision of relevant information, it is proposed that in addition to those mentioned in paragraph 4.2 above, the following officer can duly certify:

Investment Manager	Patrick G. Dowdall
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5.0 RELEVANT RISKS

- 5.1 Without the appropriate number of authorising officers, there is a risk of delayed settlement of trades. This could manifest itself both as financial risk, as there could be a cost to delayed settlement, and as a reputational risk to MPF in financial markets.

6.0 OTHER OPTIONS CONSIDERED

- 6.1 The option of operating with fewer authorisers, would increase the dangers of transactions in financial markets not settling in a timely manner due to delays in their authorisation.

7.0 CONSULTATION

- 7.1 No consultation took place with other organisations or stakeholders.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 8.1 None arising from this report.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 9.1 There are no additional resource IT or staffing implications in this proposal.

10.0 LEGAL IMPLICATIONS

- 10.1 None arising from this report.

11.0 EQUALITIES IMPLICATIONS

11.1 None arising from this report.

11.2 Equality Impact Assessment (EIA)
(a) Is an EIA required? No

12.0 CARBON REDUCTION IMPLICATIONS

12.1 There are none within these proposals for change,

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 None arising from this report.

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FNCE/144/11

APPENDICES

None

REFERENCE MATERIAL

List of Authorised Signatories as at 1 April 2011

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Pensions Committee	29 March 2011
Cabinet	17 March 2011
Pensions Committee	22 September 2009
Pensions Committee	18 June 2009