

# WIRRAL COUNCIL

## PENSION BOARD

14 SEPTEMBER 2020

<b>SUBJECT:</b>	<b>RISK REGISTER</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF PENSIONS</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report provides Board members with a copy of the Fund's Risk Register
- 1.2 Appendix 1 to this report contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 Risk management is an integral part of the Fund's business planning, policies and procedures. The Fund maintains a register of its principal risks and the controls and measures put in place to manage and mitigate them. The register is prepared in accordance with Wirral's Risk Management Policy.
- 2.2 Risk Management is a standing item on the monthly Fund Operating Group agenda. The register is reviewed formally by officers on a six-monthly basis but is updated immediately for any risks that are identified in the interim.
- 2.3 The Risk Register is a standing item on the agenda for the Fund's Governance & Risk Working Party. The risks included in the register are principally in relation to administrative, financial and operational risks with investment and related actuarial risks addressed in the Funding Strategy Statement and Investment Strategy Statement.
- 2.4 Since the previous report, several changes to risks and risk scores have been made to reflect the effects of CV19 on operations and activities.

**Revised**

Risk Factor No	Description	Controls	Old score	New score
3	Closure of Admitted Bodies with unfunded pension liabilities	Bonds or parent guarantees required for all new admitted bodies or lower risk investment strategy. Assessment of covenants being undertaken as part of annual closedown of accounts New risk buckets	3x4	4x4
5	Destruction of or inability to access premises (Key council services are not resilient to disruption and business continuity arrangements are inadequate)	MPF & IT continuity planning in place	1x4	3x3
7	A significant loss through external fraud damages the Fund's reputation.	Appropriate operational due diligence on appointment. Ongoing reviews of SAS 70 Diversification of investment portfolio	1x2	2x2
12	Investment performance significantly behind benchmark	Triennial ALM FSS/ISS Asset Allocation External and Internal Investment Manager Monitoring Performance Benchmarks Performance data Independent Advisors IMWP,FOG, MTAA	1x4	2x4
17	Move to remote working impinges on ability to communicate, implement and monitor Corporate, Departmental and Divisional objectives and tasks to staff.	Performance appraisal FOG Investment Meetings Section Head meetings Team Brief/One Brief Compliance monitoring Attendance at internal training events	2x3	3x3
19	Cash flow implications and liquidity availability following increase in	Asset allocation Daily cashflow monitoring Revise strategy and	3x3	4x3

	pensions in payment and reduction in deficit payments post 2019 FSS and CV19 impact on investment income	review benchmarks/portfolios to increase income		
25	Failure to meet TPR data requirements	Data Quality Policy in place	2x3	3x3
27	Disruption from move to monthly data collection impinges on Admin, Finance and Employers	Detailed project plan and phased implementation.	2x3	3x3

### New

Risk Factor No	Description	Controls	Net score
28	Disruption to new projects, BAU and concomitant impact on training and productivity arising from WFH arrangements	Managed corporately	4x3
29	MPF becomes involved in time-consuming disputes arising from new exit payments regs	Clear policy in Funding Strategy Statement	3x3

### Removed

Risk Factor No	Description	Controls	Net score
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## 3.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

3.1 There are none arising from this report

## 4.0 RECOMMENDATION

4.1 That Board Members note the report.

**5.0 REASON/S FOR RECOMMENDATION/S**

5.1 There is a requirement for Members of the Pension Board to be kept informed of pension fund policies and developments as a part of their role in supporting the administering authority.

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**SUBJECT HISTORY**

Reports/notes	Date

**APPENDICES**  
**RISK REGISTER**