

# Risk Assessment Form

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager: **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **23 April, 2012**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Target Date (Priority)	Assessment of Current Risk (Assume CURRENT controls in place)		
	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
RE390001 - Failure to comply with LGPS regulations as well as other overriding regulations	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> <li>• <b>Altair Development Officer undertakes Altair system checks to ensure compliance with LGPS regulations</b> <i>Implemented</i></li> <li>• <b>Appoint Communication &amp; Training Officer</b> Communication &amp; Training Officer responsible for the maintenance of Online Procedure manuals, and the provision of training to all section staff and employing bodies via site visits. <i>Implemented</i></li> <li>• <b>Network Groups (Altair &amp; LGPC)</b> <i>Implemented</i></li> <li>• <b>Continue to act as an "Early Adopter" in conjunction with the system provider to ensure system meets regulatory requirements</b> <i>Implemented</i></li> </ul>	Pensions Manager		Substantial 4	Improbable 1	Low 4

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RE390002 - Failure to respond to major change to the LGPS following Public Sector Pension Review	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> <li>• Participation in all high level Government discussions and consultations <i>Ongoing (90% complete)</i></li> <li>• Ensure best practice is implemented and DPF is seen as a centre of excellence for pension administration <i>Ongoing (90% complete)</i></li> <li>• CIPFA Pensions Network membership <i>Implemented</i></li> <li>• Continue to be recognised nationally by peers as one of the leaders in pension administration and facilitate site visits <i>Ongoing (95% complete)</i></li> <li>• Discussions at Society of Welsh Treasurers <i>Implemented</i></li> </ul>	<p>Pensions Manager</p> <p>Pensions Manager</p> <p>Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p>		Substantial 4	Improbable 1	Low 4

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RE390003 - Failure to process accurate pension benefits payments, including lump sum payments, in a timely manner	Significant 3	Unlikely 2	Medium 6	<ul style="list-style-type: none"> <li>• <b>Ensure segregation of duties within procedures</b> <i>Implemented</i></li> <li>• <b>Item in Business Continuity Plan</b> <i>Implemented</i></li> <li>• <b>Participate in National Fraud Initiative (NFI)</b> <i>Implemented</i></li> <li>• <b>Life Certificates exercise carried out for all cheque payments</b> <i>Implemented</i></li> <li>• <b>Altair Development Officer is responsible for regular system checks regarding calculations</b> <i>Implemented</i></li> <li>• <b>Communicate &amp; Training Officer liaises closely with all employing authorities to ensure timely submission of information to DPF</b> <i>Implemented</i></li> </ul>	Pensions Manager		Significant 3	Improbable 1	Very Low 3

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				<ul style="list-style-type: none"> <li>• <b>Payroll deadline procedures in place</b> <i>Implemented</i></li> <li>• <b>Undertake reviews of monthly performance to ensure service standards are maintained</b> <i>Implemented</i></li> <li>• <b>IT Contingency/Resilience Plan in place</b> <i>Implemented</i></li> </ul>	Pensions Manager				
<p><b>RE390004 - Failure to collect and account for full receipt of contributions from employers and employees on time</b></p> <p>Failure to collect full receipt of pension contributions from employees and employers in line with Regulation guidelines.</p> <p>Failure of employers' financial systems; absence of key staff; failure to communicate with employers effectively; failure of key systems such as on-line banking and/or financial ledger.</p>	<b>Substantial</b> 4	<b>Possible</b> 3	<b>High</b> 12	<ul style="list-style-type: none"> <li>• <b>Contributions monitoring procedures</b> <i>Implemented</i></li> <li>• <b>Formal timescales for receipt of contributions</b> <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager		<b>Substantial</b> 4	<b>Improbable</b> 1	<b>Low</b> 4

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Possible adverse audit opinion; negative cash flow position; delays in producing IAS19 accounting reports; delays in closure of year end accounts; employers forced to leave the scheme.				<ul style="list-style-type: none"> <li>• <b>Monthly monitoring and follow up</b> <i>Implemented</i></li> <li>• <b>Escalation of non receipt of contributions</b> <i>Implemented</i></li> <li>• <b>Systems Audit undertaken within Authority</b> <i>Implemented</i></li> </ul>	<p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p>				
<b>RE390005 - Failure to keep pension records up to date and accurate</b>	<b>Significant</b> 3	<b>Possible</b> 3	<b>Medium</b> 9	<ul style="list-style-type: none"> <li>• <b>Senior Officers liaise closely with employing authorities to ensure timely and accurate submission of data to DPF</b> <i>Implemented</i></li> </ul>	Pensions Manager		<b>Significant</b> 3	<b>Improbable</b> 1	<b>Very Low</b> 3

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				<ul style="list-style-type: none"> <li>• <b>Data accuracy checks undertaken by the pension section prior to continual validation on workflow system</b> <i>Implemented</i></li> <li>• <b>Data integrity validation is performed monthly by Altair Development Officer</b> <i>Implemented</i></li> <li>• <b>Data validation checks also undertaken by the DPF's partners (e.g. the Actuary at Valuation)</b> <i>Implemented</i></li> <li>• <b>Additional validation carried out through NFI</b> <i>Implemented</i></li> <li>• <b>Opportunity to escalate non-compliance</b> <i>Implemented</i></li> </ul>	Pensions Manager				
<b>RE390006 - Failure to hold personal data securely</b>	<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8	<ul style="list-style-type: none"> <li>• <b>Compliance with the Authority's in-house IT policies</b> <i>Implemented</i></li> </ul>	Pensions Manager		<b>Substantial</b> 4	<b>Improbable</b> 1	<b>Low</b> 4

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				<ul style="list-style-type: none"> <li>• <b>Disaster Recovery Plan</b> <i>Implemented</i></li> <li>• <b>Business Continuity Plan</b> <i>Implemented</i></li> <li>• <b>Compliance with the Data Protection Act 1998</b> <i>Implemented</i></li> <li>• <b>Systems and Payroll audit undertaken annually</b> <i>Implemented</i></li> </ul>	Pensions Manager				
<b>RE390007 - Loss of funds through fraud or misappropriation in administration related functions</b>	<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8	<ul style="list-style-type: none"> <li>• <b>Internal and external audit checks performed to ensure that appropriate and effective controls are in place</b> <i>Implemented</i></li> <li>• <b>Systems and Payroll audit undertaken annually</b> <i>Implemented</i></li> </ul>	Pensions Manager		<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8

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<p><b>RE390008 - Normal operations disrupted by uncontrollable external factors</b>                      Service delivery threats from fire, bomb, extreme weather, electrical faults, sickness epidemic, etc.</p> <p>Insufficient daily back up, disaster recovery, and IT cover to support systems.</p> <p>Temporary loss of ability to provide service to stakeholders.</p>	<p><b>Substantial</b> 4</p>	<p><b>Possible</b> 3</p>	<p><b>High</b> 12</p>	<ul style="list-style-type: none"> <li><b>Business Continuity Plan</b> <i>Implemented</i></li> <li><b>Disaster Recovery Plan</b> <i>Implemented</i></li> <li><b>Data stored on Council's IT servers</b> <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager  Pensions Manager and Treasury & Pensions Investments Manager  Pensions Manager and Treasury & Pensions Investments Manager		<p><b>Substantial</b> 4</p>	<p><b>Unlikely</b> 2</p>	<p><b>Medium</b> 8</p>
<p><b>RE390009 - Inability to keep service going due to loss of main office, computer system, or staff</b></p>	<p><b>Moderate</b> 2</p>	<p><b>Unlikely</b> 2</p>	<p><b>Low</b> 4</p>	<ul style="list-style-type: none"> <li><b>Business Continuity Plan</b> <i>Implemented</i></li> <li><b>Disaster Recovery Plan</b> <i>Implemented</i></li> </ul>	Pensions Manager  Pensions Manager		<p><b>Moderate</b> 2</p>	<p><b>Improbable</b> 1</p>	<p><b>Very Low</b> 2</p>



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<b>RE390010 - Lack of expertise among some Pension Administration officers</b>	<b>Significant</b> 3	<b>Unlikely</b> 2	<b>Medium</b> 6	<ul style="list-style-type: none"> <li>• <b>Personal development plan in place to support the development of each officer in the Section</b> <i>Implemented</i></li> <li>• <b>Specific courses / seminars attended by officers to further their knowledge and understanding</b> <i>Implemented</i></li> </ul>	Pensions Manager  Pensions Manager		<b>Significant</b> 3	<b>Improbable</b> 1	<b>Very Low</b> 3
<b>RE390011 - Over reliance on key Pensions Administration and Investment Officers</b> Specialist nature of the work means there are relatively few experts in Investments and the Local Authority Pensions Regulations.  Significant knowledge gap left if experts leave.	<b>Significant</b> 3	<b>Possible</b> 3	<b>Medium</b> 9	<ul style="list-style-type: none"> <li>• <b>Key officers convey specialist knowledge to colleagues on a function or topic basis by mentoring</b> <i>Implemented</i></li> <li>• <b>Enhance training by bespoke sessions / courses / workshops</b> <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager  Pensions Manager and Treasury & Pensions Investments Manager		<b>Significant</b> 3	<b>Unlikely</b> 2	<b>Medium</b> 6

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				<ul style="list-style-type: none"> <li>External consultants and independent adviser available for short term assistance <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager				
RE390012 - Failure to appropriately attract, manage, develop, and retain staff at all levels	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> <li>Training and Development Plan established <i>Implemented</i></li> </ul>	Pensions Manager		Substantial 4	Improbable 1	Low 4
RE390013 - Failure to communicate properly with stakeholders Lack of clear communications.  Scheme members are not aware of their rights and entitlements, are distanced from the Fund, which could lead to a reduction in new members and an increase in leavers.  Communication with investment managers, custodian, independent adviser, fund employers, pensioners, scheme members, actuary and government organisations.	Significant 3	Unlikely 2	Medium 6	<ul style="list-style-type: none"> <li>Dedicated Communication &amp; Training Officer post established Dedicated Communication &amp; Training Officer will continue to fulfil all the communication requirements of the DPF, in accordance with the Communications Policy Statement <i>Implemented</i></li> <li>Communications Policy in place <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager  Pensions Manager		Significant 3	Improbable 1	Very Low 3

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				<ul style="list-style-type: none"> <li>• <b>Comprehensive website is continually updated and developed</b> <i>Implemented</i></li> <li>• <b>My Pension Online is used to enhance the service provided to scheme members</b> <i>Implemented</i></li> <li>• <b>Annual Consultative Meeting held in September</b> <i>Implemented</i></li> <li>• <b>Quarterly meetings with independent adviser and investment managers</b> <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager  Pensions Manager  Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager				
RE390014 - No appropriate procedures for Employer bodies transferring out of the pension fund or Employer bodies closing to new membership	Significant 3	Possible 3	Medium 9	<ul style="list-style-type: none"> <li>• <b>Inter valuation monitoring and rate reassessment if appropriate</b> <i>Implemented</i></li> </ul>	Pensions Manager		Significant 3	Unlikely 2	Medium 6

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				<ul style="list-style-type: none"> <li>• <b>Identification of any issue and resolution via regular site visits by Communication &amp; Training Officer</b> <i>Ongoing (95% complete)</i></li> <li>• <b>Requirement for employing authorities to issue termination forms for each active member</b> <i>Implemented</i></li> <li>• <b>Validation of membership numbers</b> <i>Implemented</i></li> <li>• <b>Employer covenant checks</b> <i>Implemented</i></li> </ul>	Pensions Manager				
<b>RE390016 - Liquidity/cashflow risk - insufficient funds to meet liabilities as they fall due</b> Failure of employers to pay contributions on time; low dividend income; significant number of liabilities paid out at the same time.  Immediate cash contribution would be required via employers; delay in the payment of promised liabilities; negative	<b>Substantial</b> 4	<b>Possible</b> 3	<b>High</b> 12	<ul style="list-style-type: none"> <li>• <b>Monthly cash and dividend reconciliations</b> <i>Implemented</i></li> <li>• <b>Quarterly monitoring of investment managers by Pension Panel</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8

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publicity and an adverse audit report.				<ul style="list-style-type: none"> <li>• <b>Appointment of custodian</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager				
<b>RE390017 - Loss of funds through fraud or misappropriation in investment related functions</b> Fraud or misappropriation of funds by an employer, investment managers or custodian.  Financial loss to the fund.	<b>Substantial</b> 4	<b>Possible</b> 3	<b>High</b> 12	<ul style="list-style-type: none"> <li>• <b>Internal and External Audit regularly test that appropriate controls are in place and working</b> <i>Implemented</i></li> <li>• <b>Regulatory control reports from investment managers, custodian, etc., are also reviewed by audit.</b> <i>Implemented</i></li> <li>• <b>Due diligence is carried out whenever a new manager is appointed.</b> <i>Implemented</i></li> <li>• <b>Reliance also placed in Financial Services Authority registration.</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8

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				<ul style="list-style-type: none"> <li>Quarterly monitoring by Pension Panel and Independent Adviser <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager				
<b>RE390018 - Excessive levels of Pension Fund Cash held within Carmarthenshire County Council investment balances</b> High dividend / interest receipts and low benefit payments being made in period.  Lower cash like return instead of equity or bond investment returns.	<b>Significant</b> 3	<b>Unlikely</b> 2	<b>Medium</b> 6	<ul style="list-style-type: none"> <li>Monthly cash reconciliations and separate pension fund bank accounts <i>Implemented</i></li> <li>Quarterly monitoring by Pension Panel <i>Implemented</i></li> <li>Internal Audit and Wales Audit Office review <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		<b>Significant</b> 3	<b>Improbable</b> 1	<b>Very Low</b> 3
<b>RE390019 - Significant rises in employer contributions due to increases in liabilities or fall in assets</b> Scheme liabilities increase disproportionately as a result of increased longevity or falling bond yields. Poor economic conditions,	<b>Significant</b> 3	<b>Likely</b> 4	<b>High</b> 12	<ul style="list-style-type: none"> <li>Use expert actuary who makes assumptions and recommends appropriate recovery period and strategy <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		<b>Significant</b> 3	<b>Possible</b> 3	<b>Medium</b> 9

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incorrect investment strategy, poor selection of investment managers.  Poor / negative returns leading to potential increase in employer's costs.				<ul style="list-style-type: none"> <li>• <b>Diversified Strategic Asset Allocation</b> <i>Implemented</i></li> <li>• <b>Quarterly monitoring of investment managers by Pension Panel</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager				
<b>RE390020 - Lack of expertise on Pension Fund Panel and / or amongst Officers</b> Lack of training, continuous professional development and 4 year election cycle.  Flawed recommendations given to Pension Fund Panel which, unchallenged, could lead to incorrect decisions being made.	<b>Significant</b> 3	<b>Likely</b> 4	<b>High</b> 12	<ul style="list-style-type: none"> <li>• <b>Ensure Officers are trained and up to date in key areas through courses, seminars, reading, discussions with consultants, etc.</b> <i>Implemented</i></li> <li>• <b>Members given induction training on joining Panel with subsequent opps. to attend courses, seminars, and specialist training.</b> <i>Implemented</i></li> <li>• <b>Members' training plan and Governance Policy established</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		<b>Significant</b> 3	<b>Possible</b> 3	<b>Medium</b> 9

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				<ul style="list-style-type: none"> <li>Specialist assistance available from consultants and independent adviser <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager				
<b>RE390023 - Failure of Investment Strategy to deliver investment objectives</b> Inaccurate triennial valuation assumptions used. Incorrect recovery period used.  Funding level decreases; employer contribution rates become unacceptable, causing potential increase in employer's costs.	<b>Significant</b> 3	<b>Possible</b> 3	<b>Medium</b> 9	<ul style="list-style-type: none"> <li>Expert Actuary makes assumptions and recommends appropriate recovery period and strategy. <i>Implemented</i></li> <li>Independent adviser employed to assist the panel in making informed decisions. <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		<b>Significant</b> 3	<b>Improbable</b> 1	<b>Very Low</b> 3
<b>RE390024 - Prolonged failure of investment managers to achieve the returns specified on their mandates</b> Under-performance by the investment managers; lack of monitoring and challenging by the Panel.	<b>Substantial</b> 4	<b>Possible</b> 3	<b>High</b> 12	<ul style="list-style-type: none"> <li>Quarterly monitoring of investment managers and performance company reports by investment team and Panel. <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8
<b>RE390026 - Concentration risk - single asset class having disproportionate impact on investment objectives</b>	<b>Significant</b> 3	<b>Possible</b> 3	<b>Medium</b> 9	<ul style="list-style-type: none"> <li>Proactive in decision making <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		<b>Significant</b> 3	<b>Unlikely</b> 2	<b>Medium</b> 6



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<p>Risk of the performance of a single asset class having a disproportionate impact on the ability to meeting investment objectives. Inappropriate investment strategy following the triennial valuation, including lack of diversification.</p> <p>Funding level decreases; employer contribution rates become unacceptable, causing potential increase in employers' costs.</p>				<ul style="list-style-type: none"> <li>Encourage diversified strategic asset allocation <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager				
<p><b>RE390027 - Counterparty risk - risk of other party in a transaction failing to meet its obligation to the fund</b> This arises from deposits held with banks and other financial institutions, as well as credit exposures to the fund's members and employers.</p> <p>Loss of capital; decrease in asset values; cost of legal proceedings; adverse publicity.</p>	Moderate 2	Possible 3	Medium 6	<ul style="list-style-type: none"> <li>Set appropriate parameters with fund managers and custodian to limit exposure to default risk <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		Moderate 2	Unlikely 2	Low 4
<p><b>RE390028 - Interest rate risk</b> Arises from risk of exposure to significant interest rate movements on investments.</p> <p>Bond yields and cash decrease in value.</p>	Moderate 2	Unlikely 2	Low 4	<ul style="list-style-type: none"> <li>Establish diversified strategic asset allocation <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		Moderate 2	Improbable 1	Very Low 2

# Risk Assessment Form

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager: **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **23 April, 2012**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Target Date (Priority)	Assessment of Current Risk (Assume CURRENT controls in place)		
	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
<p><b>RE390029 - Discount rate risk</b> Use of inappropriate discount rate to estimate future liabilities.</p> <p>Funding level decreases; employer contribution rates become unacceptable, causing potential increase in employers' costs.</p>	Significant 3	Possible 3	Medium 9	<ul style="list-style-type: none"> <li>Engage expert actuary to make assumptions <i>Implemented</i></li> <li>Engage independent adviser to assist the panel in making informed decisions <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		Significant 3	Unlikely 2	Medium 6
<p><b>RE390030 - Price risk</b> The equity investments held exposes the fund to risk in relation to the market price of its investments.</p> <p>Funding level decreases; employer contribution rates become unacceptable, causing a potential increase in employers' costs.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> <li>Establish a diversified strategic asset allocation. <i>Implemented</i></li> <li>Anticipate long term returns on a prudent basis. <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		Significant 3	Possible 3	Medium 9
<p><b>RE390031 - Foreign exchange risk</b> The fund holds financial assets and liabilities denominated in foreign currencies. It is therefore exposed to an element of risk in relation to currency fluctuation.</p> <p>Funding level decreases; employer</p>	Moderate 2	Possible 3	Medium 6	<ul style="list-style-type: none"> <li>Establish diversified (within regions) strategic asset allocation <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		Moderate 2	Unlikely 2	Low 4

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	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
contribution rates become unacceptable, causing a potential increase in employers' costs.									
<p><b>RE390032 - Failure to meet statutory deadlines leading to qualification of the accounts</b></p> <p>Lack of planning for closure of accounts; lack of training; loss of expert knowledge.</p> <p>Qualified audit report; potential bad publicity; members' loss of confidence on officers' abilities.</p>	<p><b>Substantial</b></p> <p>4</p>	<p><b>Unlikely</b></p> <p>2</p>	<p><b>Medium</b></p> <p>8</p>	<ul style="list-style-type: none"> <li><b>Timetabled Audit Committee cycles</b> <i>Implemented</i></li> <li><b>Encourage liaison with external audit</b> <i>Implemented</i></li> <li><b>Establish closedown timetable</b> <i>Implemented</i></li> <li><b>Seek WAO working paper guidance</b> <i>Implemented</i></li> <li><b>Excellent time management skills</b> <i>Implemented</i></li> </ul>	<p>Treasury &amp; Pensions Investments Manager</p> <p>Treasury &amp; Pensions Investments Manager</p> <p>Treasury &amp; Pensions Investments Manager</p> <p>Treasury &amp; Pensions Investments Manager</p> <p>Treasury &amp; Pensions Investments Manager</p>		<p><b>Substantial</b></p> <p>4</p>	<p><b>Improbable</b></p> <p>1</p>	<p><b>Low</b></p> <p>4</p>

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	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
<p><b>RE390033 - Adequate skilled resources not available for accounts preparation</b> Lack of training; loss of expert knowledge; annual or study leave.</p> <p>Qualified audit report; unsatisfactory internal audit report; failure to meet statutory closure deadlines; employee stress.</p>	Significant 3	Unlikely 2	Medium 6	<ul style="list-style-type: none"> <li>• <b>Arrange training courses and seminars, and mentoring</b> <i>Implemented</i></li> <li>• <b>Revised Treasury &amp; Pension Investments structure in place</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		Significant 3	Unlikely 2	Medium 6
<p><b>RE390035 - Failure to recover all debts</b> Lack of communication between fund officers and administering authority officers (debtors); lack of monitoring / recovery procedures.</p> <p>Loss of income to the Fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to Fund employers</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> <li>• <b>Use of specialist debt recovery section within the administering authority</b> <i>Implemented</i></li> <li>• <b>Monthly monitoring of debts due</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
<p><b>RE390036 - Officers acting outside delegated authority</b> Threat of officers making unauthorised decisions or payments.</p> <p>Loss of income to fund; loss of stakeholder confidence in the ability of</p>	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> <li>• <b>Undertake review of Standing Orders</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		Substantial 4	Improbable 1	Low 4

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	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
the administering authority; potential increase in costs to fund employers				<ul style="list-style-type: none"> <li>• <b>Report to Executive Board</b> <i>Implemented</i></li> <li>• <b>New constitutional document</b> <i>Implemented</i></li> <li>• <b>Monitoring officer role</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager				
<p><b>RE390037 - Non-performance by Officers and Panel Members</b> Lack of training for officers and members; turnover in officers and members; lack of appraisals; lack of PI monitoring; time constraints for members; conflicting deadlines for officers.</p> <p>Qualified audit report; potential bad publicity; members' loss of confidence in officers' abilities; excessive pressure on officers; loss of income to the fund; loss of stakeholder confidence in the ability of the administering authority;</p>	<b>Substantial</b> 4	<b>Possible</b> 3	<b>High</b> 12	<ul style="list-style-type: none"> <li>• <b>Establish performance measurement system</b> <i>Implemented</i></li> <li>• <b>Panel member assessments</b> <i>Implemented</i></li> <li>• <b>Officer appraisals in October and March annually</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8

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	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
potential increase in costs to fund employers				<ul style="list-style-type: none"> <li>• <b>Regular internal and external audits</b> <i>Implemented</i></li> <li>• <b>Establish training plan for officers and members</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager				
<p><b>RE390038 - Failure to operate strict financial and budgetary controls</b> Lack of regular budget monitoring and budget setting; lack of communication between admin and investment sections; lack of scrutiny of investment managers', consultants', and advisers' fees.</p> <p>Unexpected variances over budget headings; members' loss of confidence in officers' abilities; loss of income to the fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to fund employers.</p>	<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8	<ul style="list-style-type: none"> <li>• <b>Quarterly monitoring of budgets</b> <i>Implemented</i></li> <li>• <b>Quarterly forecasting and profiling of budgets</b> <i>Implemented</i></li> <li>• <b>Closure of accounts to Audit Committee</b> <i>Implemented</i></li> <li>• <b>Monthly meetings between Head of Service, Admin and Investments</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		<b>Substantial</b> 4	<b>Improbable</b> 1	<b>Low</b> 4

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	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
				<ul style="list-style-type: none"> <li>• <b>Monthly reconciliations of contributions, dividends, and pension payroll</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager				