






PENSIONS ADMINISTRATION RISKS																			
Top 10	Objective at risk	Details of risk, including consequences			Assessment of risk (Assume NO controls in place)			Control	Status (e.g. implemented, in progress, proposed)	% Complete	Assessment of risk (Control measures in place)			Risk Movement	Review frequency	Date of next review	Risk owner		
		Area at risk	Risk ref.	Risk event	Impact	Likelihood	Risk rating				Impact	Likelihood	Risk rating						
In Top 10	To provide excellent customer service	Pensions Administration	PA1	The Pensions Administration Strategy (PAS) is not complied with by employers.	High (4)	Very high (5)	High (20)	1. Communication with employers at the Annual General Meeting (AGM) to ensure they understand the PAS and their requirements under it. The PAS is also sent out to employers for consultation.	1. Implemented	100%	High (4)	High (4)	High (16)		1. Annually	Dec 16	Assistant Director (Actuarial & Pensions)		
								2. Employers adherence to the PAS is monitored.	2. In progress	40%							Head of Client & Funding Management		
								3. PAS regularly reviewed and cleared by committee.	3. Implemented	100%							Assistant Director (Actuarial & Pensions)		
								4. Monthly monitoring of contribution payments by Finance.	4. Implemented	100%							Head of Finance		
Top 10	To ensure the solvency of the Fund and its ability to pay pensions	Pensions Administration	PA2	Liabilities need to be orphaned across the Funds remaining employers in the event of an employer failing.	High (4)	High (4)	High (16)	1. All new employer bodies need to have a suitable guarantee/covenant in place prior to being admitted into the scheme.	1. Implemented	100%	High (4)	Medium (3)	Medium (12)		1. Quarterly	Apr 16	Head of Client & Funding Management		
								2. Monitoring is carried out on existing employers and the covenant strength is assessed and each employer is risk rated.	2. In progress	60%							Head of Pensions Administration		
								3. Higher risk employers are monitored closely by the Employer Team.	3. In progress	80%							Head of Pensions Administration		
								4. Where there are concerns, the Fund opens dialogue with the relevant employers and where possible, arranges face-to-face meetings to explore their situation in more detail. Once the Fund has a more detailed understanding of the situation, it will discuss the possibility of the provision of additional security by those organisations to further strengthen their covenant.	4. In progress	30%							Head of Pensions Administration		
Top 10	To provide excellent customer service	Pensions Administration	PA3	Pension benefits are calculated with inaccurate or incomplete data (leading to under/overpayments)	Medium (3)	Very high (5)	High (15)	1. Robust process in place to ensure accuracy of calculations, including officer checking.	1. Implemented	100%	Medium (3)	High (4)	Medium (12)		1. Quarterly	Apr 16	Assistant Director (Actuarial & Pensions)		
								2. Induction training to ensure officers are suitably skilled, as well as regular staff training to raise awareness of the importance of data quality.	2. Implemented	100%								2. On-going	N/A
								3. Data quality reviews of common and conditional data in place and reported to Committee half yearly in line with other TPR reporting requirements.	3. Implemented	100%								3. Quarterly	Apr 16
								4. The PAS sets out expectations and requirements of employers in relation to data quality.	4. Implemented	100%								4. Annually	Mar 16
								5. Communication with employers at AGM to stress the importance of complete and accurate data.	5. Implemented	100%								5. Annually	Dec 16
								6. Data validation checks undertaken:- (a) by actuary at valuation (b) through National Fraud Initiative (c) through Millennium Halo	6. (a) Implemented (b) Implemented (c) Implemented	100% 100% 100%								6. (a) Triennially (b) Every 2 years (c) Monthly	Mar 16 Mar 16 Feb 16
								7. Web portal in place for members to input their details directly, removing employee human error.	7. Implemented	100%								7. On-going	N/A
								8. Bulk data import in place for employers to load their joiners data straight to the Fund's system - reviewed at Employer Peer Group	8. Implemented	100%								8. Quarterly	Apr 16
								9. Plan to move bulk data import in progress, for employers to load their member changes data straight to the Fund's system in line with proposal for monthly returns instead of annual returns.	9. Proposed	0%								9. Quarterly	Apr 16
								10. Individual member changes and individual early leavers data can be loaded straight to the Fund's system by employers.	10. Implemented	100%								11. Quarterly	Apr 16
								Top 10	To provide excellent customer service	Pensions Administration								PA5	The Fund does not complete the Guaranteed Minimum Pension (GMP) reconciliation.
2. Initial analysis has been completed - first stage completed.																			
3. The Fund has engaged ITM to do more analysis to identify the gaps. ITM report due end of Nov.																			
4. Progress of the project is reported monthly to the Senior Management Team.																			

							5. Report to Pensions Committee quarterly.										
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WEST MIDLANDS PENSION FUND RISK REGISTER

Top 10	To ensure the solvency of the Fund and its ability to pay pensions	Pensions Administration	PA7	Future liabilities increase	High (4)	High (4)	High (16)	1. The Fund undergoes a triennial valuation, in conjunction with the Fund's actuary. Although liabilities will increase, controls are put in place to ensure assets keep pace with liabilities.	1. Implemented	100%	Medium (3)	High (4)	Medium (12)		1. Triennially	Mar 16	Assistant Director (Actuarial & Pensions)
								2. <b>Life expectancy:</b> Although there is no life expectancy hedging, a prudent allowance is built into the actuarial assumption, for life expectancy to improve.	2. Implemented	100%					2. Triennially		
								3. <b>Inflation and wage and salary inflation:</b> The Fund invests in index-linked bonds and the PIP, which provides an index linked income stream.	3. Implemented	100%					3. Triennially		
								4. <b>Interest rates:</b> Investment returns are monitored quarterly with liabilities in mind.	4. Implemented	100%					4. Quarterly		

INVESTMENT RISKS

Top 10	Objective at risk	Details of risk, including consequences			Assessment of risk (Assume NO controls in place)			Control	Status (e.g. implemented, in progress, proposed)	% Complete	Assessment of risk (Control measures in place)			Review frequency	Date of next review	Risk owner	
		Area at risk	Risk ref.	Risk event	Impact	Likelihood	Risk rating				Impact	Likelihood	Risk rating				
	All objectives	Investments	17	Brexit - Ensuring the stability of the Fund's investments in light of the EU referendum	High (4)	Medium (3)	Medium (12)	1. To ensure the Fund meets its investment strategy and to continually review the strategy in light of market changes. To be flexible in response to any changes and the Fund's ability to meet its liabilities is affected.	Ongoing	0%	Medium (3)	Medium (3)	Medium (9)		Monthly	Jul-16	Assistant Director - Investments

GOVERNANCE RISKS

Top 10	Objective at risk	Details of risk, including consequences			Assessment of risk (Assume NO controls in place)			Control	Status (e.g. implemented, in progress, proposed)	% Complete	Assessment of risk (Control measures in place)			Review frequency	Date of next review	Risk owner	
		Area at risk	Risk ref.	Risk event	Impact	Likelihood	Risk rating				Impact	Likelihood	Risk rating				
Top 10	To be a leading performer in the LGPS	Governance	G1	The Fund breaches Information Security and Data Quality regulations.	High (4)	Very high (5)	High (20)	1. Continuous staff training on data protection	1. Implemented	100%	Medium (3)	High (4)	Medium (12)		Annually	Dec 16	Head of Governance/ Assistant Director (Actuarial & Pensions)
								2. In-depth training for senior managers on information governance.	2. Implemented	100%							
								3. There is an information governance project underway in preparation for an information governance audit in December.	3. Implemented	100%							
								4. Data encryption and password protection	4. Implemented	100%							
								5. Use of file transfer protocol	5. Implemented	100%							
								6. All information security breaches are reported and any systemic issues are identified and corrected.	6. Implemented	100%							
								7. System back-up to protect against data loss.	7. Implemented	100%							
								8. A data improvement plan taken to the Dec 15 PC and Jan 16 Pensions Board (PB)	8. Implemented	100%							
								9. A dedicated data team is being set-up, as part of the Pensions Administration structure review.	9. In progress	60-70%							

WEST MIDLANDS PENSION FUND RISK REGISTER

Top 10	To be a leading performer in the LGPS	Governance	G2	Lack of independence between the Fund, elected members and pension board representatives from their authorities, resulting in poor decision making	High (4)	High (4)	High (16)	1. Full trustee induction training is provided to members on joining the Pensions Committee and Pensions Board to inform them of their duties and responsibilities.	1. Implemented	100%	High (4)	Medium (3)	Medium (12)		Quarterly	Apr 16	Head of Governance
								2. There are sufficient numbers on the Committee to ensure that the Fund's interests are put before individual authorities.	2. Implemented	100%							
								3. Members are bound by codes of conduct.	3. Implemented	100%							
								4. Conflicts of interest policy in place for Pensions Committee and Pensions Board.	4. Implemented	100%							
								5. All districts are represented and have voting powers.	5. Implemented	100%							
								6. Clear delegation of authority within the Council and the Fund's separate constitutions, setting out the roles and responsibilities of the Fund.	6. Implemented	100%							
								7. Conflicts of interest policy in place for Pensions Committee and Pensions Board.	7. Implemented	100%							
In Top 10	To provide excellent customer service	Governance	G3	The Fund cannot continue to operate and deliver its priority services following a disaster, IT incident or data loss scenario.	High (4)	Medium (3)	Medium (12)	1. Business continuity plan in place for incidents which deny access to Mander House. Includes ability to access systems from home. The plan	1. Implemented	1	Medium (3)	Medium (3)	Medium (9)		Annually	Feb 16	Head of Governance
								2. WCC has 2 servers at a primary site (the Civic Centre) and 2 servers at a secondary site (Stafford County Council). The Fund's data is	2. Implemented	1							
								3. Testing of the business continuity plan by WCC is in the early stages. Compliance and Risk Team to liaise with WCC's IT department, to	3. In progress	0.1							
Top 10	All objectives	Governance	G7	Change in government policy/LGPS reforms	Very high (5)	High (4)	High (20)	1. The Fund keeps abreast of developments, participating in consultation and calls for evidence, and collaborating with other funds.	1. Implemented	100%	High (4)	High (4)	High (16)		Monthly	Feb 16	Strategic Director of Pensions

PENSIONS ADMINISTRATION RISKS																
Top 20	Objective at risk	Details of risk, including consequences			Assessment of risk (Assume NO controls in place)			Control	Status (e.g. implemented, in progress, proposed)	% Complete	Assessment of risk (Control measures in place)			Review frequency	Date of next review	Risk owner
		Area at risk	Risk ref.	Risk event	Impact	Likelihood	Risk rating				Impact	Likelihood	Risk rating			
In Top 20	To provide excellent customer service	Pensions Administration	PA1	The Pensions Administration Strategy (PAS) is not complied with by employers.	High (4)	Very high (5)	High (20)	1. Communication with employers at the Annual General Meeting (AGM) to ensure they understand the PAS and their requirements under it. The PAS is also sent out to employers for consultation.	1. Implemented	100%	High (4)	High (4)	High (16)	1. Annually	Dec 16	Assistant Director (Actuarial & Pensions)
								2. Employers adherence to the PAS is monitored.	2. In progress	40%				2. Annually	Apr 16	
								3. PAS regularly reviewed and cleared by committee.	3. Implemented	100%				3. Annually	Mar 16	
								4. Monthly monitoring of contribution payments by Finance.	4. Implemented	100%				4. Monthly	Feb 16	
In Top 20	To improve our funding level	Pensions Administration	PA2	Liabilities need to be orphaned across the Funds remaining employers in the event of an employer failing.	High (4)	High (4)	High (16)	1. All new employer bodies need to have a suitable guarantee/covenant in place prior to being admitted into the scheme	1. Implemented	100%	High (4)	Medium (3)	Medium (12)	1. Quarterly	Apr 16	Head of Client & Funding Management
								2. Monitoring is carried out on existing employers and the covenant strength is assessed and each employer is risk rated.	2. In progress	60%				2. Quarterly		
								3. Higher risk employers are monitored closely by the Employer Team	3. In progress	80%				3. Quarterly		
								4. Where there are concerns, the Fund opens dialogue with the relevant employers and where possible, arranges face-to-face meetings to explore their situation in more detail. Once the Fund has a more detailed understanding of the situation, it will discuss the possibility of the provision of additional security by those organisations to further strengthen their covenant.	4. In progress	30%				4. Quarterly		
In Top 20	To provide excellent customer service	Pensions Administration	PA3	Pension benefits are calculated with inaccurate or incomplete data (leading to under/overpayments)	Medium (3)	Very high (5)	High (15)	1. Robust process in place to ensure accuracy of calculations, including officer checking.	1. Implemented	100%	Medium (3)	High (4)	Medium (12)	1. Quarterly	Apr 16	Assistant Director (Actuarial & Pensions)
								2. Induction training to ensure officers are suitably skilled, as well as regular staff training to raise awareness of the importance of data quality.	2. Implemented	100%				2. On-going	N/A	
								3. Data quality reviews of common and conditional data in place and reported to Committee half yearly in line with other TPR reporting requirements.	3. Implemented	100%				3. Quarterly	Apr 16	
								4. The PAS sets out expectations and requirements of employers in relation to data quality.	4. Implemented	100%				4. Annually	Mar 16	
								5. Communication with employers at AGM to stress the importance of complete and accurate data.	5. Implemented	100%				5. Annually	Dec 16	
								6. Data validation checks undertaken:- (a) by actuary at valuation (b) through National Fraud Initiative (c) through Millennium Halo	6. (a) Implemented (b) Implemented (c) Implemented	100% 100% 100%				6. (a) Triennially (b) Every 2 years (c) Monthly	Mar 16 Mar 16 Feb 16	
								7. Web portal in place for members to input their details directly	7. Implemented	100%				7. On-going	N/A	
								8. Bulk data import in place for employers to load their joiners data straight to the Fund's system - reviewed at Employer Peer Group	8. Implemented	100%				8. Quarterly	Apr 16	
								9. Plan to move bulk data import in progress for employers to load their member changes data straight to the Fund's system in line with proposal for monthly returns instead of annual returns.	9. Proposed	0&%				9. Quarterly	Apr 16	
								10. Individual member changes and individual early leavers data can be loaded straight to the Fund's system by employers.	10. Implemented	100%				11. Quarterly	Apr 16	

WEST MIDLANDS PENSION FUND RISK REGISTER

Top 20	Objective at risk	Details of risk, including consequences			Assessment of risk (Assume NO controls in place)			Control	Status (e.g. implemented, in progress, proposed)	% Complete	Assessment of risk (Control measures in place)			Review frequency	Date of next review	Risk owner
		Area at risk	Risk ref.	Risk event	Impact	Likelihood	Risk rating				Impact	Likelihood	Risk rating			
In Top 20	To improve our funding level	Pensions Administration	PA4	Payment of pensions are not made.	High (4)	Medium (3)	Medium (12)	1. Ensure contingencies are put in place to cover the pensions payroll - e.g. Civica could be notified to repeat the previous month's payments.	1. Implemented	100%	Medium (3)	Low (2)	Medium (6)	1. Annually	Feb 16	Assistant Director (Actuarial & Pensions)
								2. Monthly cash flow monitoring is conducted by the Finance team with regular reports to Investment Management Team (IMT) meetings.	2. Implemented	100%				2. Monthly	Feb 16	
								3. Fund holds liquid assets.	3. Implemented	100%				3. Monthly	Feb 16	
								4. Business continuity plan in place including ability to access systems from home.	4. Implemented	100%				4. Annually	Feb 16	
In Top 20	To provide excellent customer service	Pensions Administration	PA5	The Fund does not complete the Guaranteed Minimum Pension (GMP) reconciliation.	High (4)	Very high (5)	High (20)	1. A project is underway to achieve this by December 2018.	1. In progress	20%	High (4)	High (4)	High (16)	Monthly	Feb 16	Assistant Director (Actuarial & Pensions)
								2. Initial analysis has been completed. - First stage completed.								
								3. The Fund has engaged ITM to do more analysis to identify the gaps. ITM report due end of Nov.								
								4. Progress of the project is reported monthly to the Senior Management Team.								
								5. Report to Pensions Committee quarterly.								
In Top 20	To provide excellent customer service	Pensions Administration	PA6	Increase in the take-up of Freedom of choice	Medium (3)	Medium (3)	Medium (9)	1. Transfer out process reviewed to ensure it meets the requirements of the Pension Regulator and LGE.	1. Implemented	100%	Medium (3)	Low (2)	Medium (6)	1. Annually	Mar 16	Head of Client & Funding Management
								2. Appropriate Liberation Fraud information is issued to all members requesting a transfer.	2. Implemented	100%				2. Annually		
								3. Customer services staff trained to identify possible cases and to send them for review as applicable.	3. Implemented	100%				3. Annually		
								4. Management review step, in transfer out process and cheque has to be signed by the Strategic Director of Pensions with confirmation of management review step. A record of outgoing payments is also available.	4. Implemented	100%				4. Annually		
In Top 20	To improve our funding level	Pensions Administration	PA7	Future liabilities increase	High (4)	High (4)	High (16)	1. The Fund undergoes a triennial valuation, in conjunction with the Fund's actuary. Although liabilities will increase, controls are put in place to ensure assets keep pace with liabilities. The closer the match,	1. Implemented	100%	Medium (3)	High (4)	Medium (12)	1. Triennially	Mar 16	Assistant Director (Actuarial & Pensions)
								2. <b>Life expectancy:</b> Although there is no life expectancy hedging, a prudent allowance is built into the actuarial assumption, for life expectancy to improve.	2. Implemented	100%				2. Triennially		
								3. <b>Inflation and wage and salary inflation:</b> The Fund invests in index-linked bonds and the PIP, which provides an index linked income stream.	3. Implemented	100%				3. Triennially		
								4. <b>Interest rates:</b> Investment returns are monitored quarterly with liabilities in mind.	4. Implemented	100%				4. Quarterly		
In Top 20	To provide excellent customer service	Pensions Administration	PA8	Failure to adhere to statutory requirements/LGPS regulations	High (4)	Medium (3)	Medium (12)	1. Governance team in place to help translate regulations	1. Implemented	100%	High (4)	Low (2)	Medium (8)	Annually	Nov 16	Assistant Director (Actuarial & Pensions)
								2. Technical team in place to help translate regulations and to ensure new systems meet regulatory requirements.	2. Implemented							
								3. Robust testing process for any system changes.	3. Implemented							
								4. Use of other Fund's (that use UPM) knowledge.	4. Implemented							
								5. Civica have enhanced their specialist LGPS knowledge and can challenge any changes which do not adhere to the regulations.	5. Implemented							
								6. LGPS 2014 changes being loaded into UPM for use	6. In progress	85%						
								7. Internal dispute resolution (IDRP) process: (a) Undertaken IDRP process review (b) IDRP guide updated and being piloted with employers	7. In progress	90%						

WEST MIDLANDS PENSION FUND RISK REGISTER

	service	Pension		regulations.				8. ABS delivery: (a) Provided feedback into Local Government Association (LGA) survey, to be reported to The Pensions Regulator (TPR) (b) Sent follow up letter to Civica (c) WMPF report to TPR as required to meet reporting requirements and follow up on actions (d) Produced reports for all employers, highlighting issues. Met with 4 out of 7 districts to follow up. Expect to have met with all 7 by end of November.	8. Implemented	100%				Annually	Dec 16	
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WEST MIDLANDS PENSION FUND RISK REGISTER

In Top 20	To provide excellent customer service	Pensions Administration	PA9	Failure of electronic data and information exchange	High (4)	High (4)	High (16)	1. Weekly calls to Civica and weekly alerts are also provided to the Fund by Civica - through this issues are raised and can be followed up	1. Implemented	100%	Medium (3)	Medium (3)	Medium (9)	Quarterly	Apr 16	Assistant Director (Actuarial & Pensions)
								2. LGPS funds have formed a network to share issues	2. In progress	80%						
								3. Fund to formulate a Civica service improvement strategy	3. In progress	60%						
								4. In-house resource review. Enhancing the Fund's skill set on electronic data and information exchange.	4. In progress	20%						
In Top 20	To provide excellent customer service	Pensions Administration	PA10	Spike in mailing and calls	Medium (3)	Medium (3)	Medium (9)	1. Review customer service training	1. In progress	20%	Medium (3)	Low (2)	Medium (6)	Quarterly	Apr 16	Head of Client & Funding Management
								2. Monitoring of volume of calls and e-mails.	2. In progress	80%						
								3. Process with WCC for mass mailing	3. Implemented	100%						
								4. Guidance produced on web portal to promote self service. Plan produced to update and add different guidance notes to website by Communications Officer.	4. Implemented	100%						



INVESTMENT RISKS																
Top 20	Objective at risk	Details of risk, including consequences			Assessment of risk (Assume NO controls in place)			Control	Status (e.g. implemented, in progress, proposed)	% Complete	Assessment of risk (Control measures in place)			Review frequency	Date of next review	Risk owner
		Area at risk	Risk ref.	Risk event	Impact	Likelihood	Risk rating				Impact	Likelihood	Risk rating			
In Top 20	To achieve target investment returns	Investments	11	Investment strategy is implemented poorly.	High (4)	Medium (3)	Medium (12)	1. Planning by staff. 2. The asset allocation/strategy are reviewed annually with reference to the FSS and SIP, to ensure that they continue to reflect each other. 3. Pension Committee (PC), Investment Advisory Sub-Committee (IASC), Investment Advisory Panel (IAP) oversight. For the Integrated Transport Authority (ITA) - Investment Strategy Panel (ISP) oversight.	Implemented	100%	High (4)	Low (2)	Medium (8)	1. Annually 2. Annually 3. Quarterly	Jun 16 Jun 16 Jun 16	Assistant Director - Investments
In Top 20	To achieve target investment returns	Investments	12	Fund does not achieve investment returns.	High (4)	High (4)	Medium (16)	1. Diversified portfolio. 2. Monthly monitoring of investment manager performance at IMT meetings. 3. Regular monitoring of market conditions.	Implemented	100%	High (4)	Low (2)	Medium (8)	Monthly	Aug 15	Assistant Director - Investments
In Top 20	To achieve target investment returns	Investments	13	The Fund has an inappropriate asset allocation.	High (4)	Medium (3)	Medium (12)	1. Asset allocation is reviewed alongside Asset Liability Modelling (ALM) and the Funding Strategy Statement (FSS) 2. Investment specialists give presentations at Pensions Committee and Trustees are provided with regular training. 3. Support and guidance from professional and experienced staff. 4. Structure in place for the setting and approval of the asset allocation. 5. The Fund has independent advisors and an Investment Advisory Panel (IAP), (or Investment Strategy Panel (ISP) for the ITA) to oversee investment management.	Implemented	100%	Medium (3)	Low (2)	Medium (6)	1. Annually 2. Annually 3. Monthly 4. Monthly 5. N/A	Jun 16 Jun 16 Feb 16 Feb 16 N/A	Assistant Director - Investments
In Top 20	To achieve target investment returns	Investments	14	Poor fund manager selection.	Low (2)	High (4)	Medium (8)	1. Due diligence is carried out on all investment managers prior to agreeing to invest. Any investment is approved by the Assistant Director - Investments and the Strategic Director of Pensions. 2. Manager performance is monitored at monthly Investment meetings.	Implemented	100%	Low (2)	Medium (3)	Medium (6)	Adhoc Monthly	N/A Feb 16	Assistant Director - Investments
In Top 20	To achieve target investment returns	Investments	15	Investment Managers/custodian internal control arrangements expose the Fund to loss of assets.	Medium (3)	Medium (3)	Medium (9)	1. Compliance questionnaires sent out to managers annually. 2. Annual review of AAF/Internal Control reports for managers. 3. Compliance visits to managers where issues are identified 4. Internal control arrangements reviewed in due diligence process on manager selection. 5. Monthly reconciliations of assets is conducted. 6. Annual review of custodian. 7. Regular valuation and benchmarking exercises carried out. 8. Use of a highly respected global custodian for safekeeping of assets and entitlements. 9. Trained and experienced staff. 10. Regular reconciliations of assets including physical reconciliation of ownership documentation. 11. Collateral collected prior to all stock lending arrangements and the collateral received is greater than that lent out. 12. Reputable custodian	1. Proposed 2. Implemented 3. Implemented 4. Implemented 5. Implemented 6. Implemented 7. Implemented 8. Implemented 9. Implemented 10. Implemented 11. Implemented 12. Implemented	0% 100%	Medium (3)	Low (2)	Medium (6)	1 - 4. Annually 5. Monthly 6 - 9. Annually 10 - 12. Quarterly	Jun 16 Feb 16 Feb 16 Apr 16	Assistant Director - Investments

WEST MIDLANDS PENSION FUND RISK REGISTER

In Top 20	To achieve target investment returns	Investments	16	Impact of the Markets in Financial Instruments Directive (MIFID II) on LGPS investments	High (4)	Medium (3)	Medium (12)	1. To write to the Fund's asset managers prior to Jan 17 to request to be treated as a professional client, evidencing how it satisfies the qualitative and quantitative test.	In progress	100%	Low (2)	Low (2)	Low (4)	On-going	Feb 16	Assistant Director - Investments
	All objectives	Investments	17	Brexit - Ensuring the stability of the Fund's investments in light of the EU referendum	High (4)	Medium (3)	Medium (12)	1. To ensure the Fund meets its investment strategy and to continually review the strategy in light of market changes. To be flexible in response to any changes and the Fund's ability to meet its liabilities is affected.	Ongoing	0%	Medium (3)	Medium (3)	Medium (9)	Monthly	Jul-16	Assistant Director - Investments

WEST MIDLANDS PENSION FUND RISK REGISTER

GOVERNANCE RISKS																
Top 20	Objective at risk	Details of risk, including consequences			Assessment of risk (Assume NO controls in place)			Control	Status (e.g. implemented, in progress, proposed)	% Complete	Assessment of risk (Control measures in place)			Review frequency	Date of next review	Risk owner
		Area at risk	Risk ref.	Risk event	Impact	Likelihood	Risk rating				Impact	Likelihood	Risk rating			
In Top 20	To become a top performing fund	Governance	G1	The Fund breaches Information Security and Data Quality regulations.	High (4)	Very high (5)	High (20)	1. Continuous staff training on data protection	1. Implemented	100%	Medium (3)	High (4)	Medium (12)	Annually	Dec 16	Head of Governance/ Assistant Director (Actuarial & Pensions)
								2. In-depth training for senior managers on information governance	2. Implemented	100%						
								3. There is an information governance project underway in preparation for an information governance audit in December.	3. Implemented	100%						
								4. Data encryption and password protection	4. Implemented	100%						
								5. Use of file transfer protocol	5. Implemented	100%						
								6. All information security breaches are reported and any systemic issues are identified and corrected.	6. Implemented	100%						
								7. System back-up to protect against data loss.	7. Implemented	100%						
								8. A data improvement plan to be taken to the Dec 15 PC and Jan 16 Pensions Board (PB)	8. In progress	80%						
								9. A dedicated data team is being set-up, as part of the Pensions Administration structure review	9. In progress	60-70%					Dec-16	
In Top 20	To become a top performing fund	Governance	G2	Lack of independence between the Fund, elected members and pension board representatives from their authorities, resulting in poor decision making	High (4)	High (4)	High (16)	1. Full trustee induction training is provided to members on joining the Pensions Committee and Pensions Board to inform them of their duties and responsibilities.	1. Implemented	100%	High (4)	Medium (3)	Medium (12)	Quarterly	Apr 16	Head of Governance
								2. There are sufficient numbers on the Committee to ensure that the Fund's interests are put before individual authorities.	2. Implemented	100%						
								3. Members are bound by codes of conduct.	3. Implemented	100%						
								4. Conflicts of interest policy in place for Pensions Committee and Pensions Board	4. Implemented	100%						
								5. All districts are represented and have voting powers.	5. Implemented	100%						
								6. Clear delegation of authority within the Council and the Fund's separate constitutions, setting out the roles and responsibilities of the Fund.	6. Implemented	100%						
								7. Conflicts of interest policy in place for Pensions Committee and Pensions Board.	7. Implemented	100%						
In Top 20	To provide excellent customer service	Governance	G3	The Fund cannot continue to operate and deliver its priority services following a disaster, IT incident or data loss scenario.	High (4)	Medium (3)	Medium (12)	1. Business continuity plan in place for incidents which deny access to Mander House. Includes ability to access systems from home. The plan is regularly reviewed and tested.	1. Implemented	100%	Medium (3)	Medium (3)	Medium (9)	Annually	Feb 16	Head of Governance
								2. WCC has 2 servers at a primary site (the Civic Centre) and 2 servers at a secondary site (Stafford County Council). The Fund's data is mirrored at both sites.	2. Implemented	100%						
								3. Testing of the business continuity plan by WCC is in the early stages. Compliance and Risk Team to liaise with WCC's IT department, to ensure testing takes place. - WMPF to conduct live test on relocation.	3. In progress	10%						
In Top 20	To become a top performing fund	Governance	G4	The Fund is subject to fraud.	High (4)	Medium (3)	Medium (12)	1. Pensions system has built in controls which require segregation of duties.	1. Implemented	100%	Medium (3)	Low (2)	Medium (6)	Annually	Aug 16	Head of Governance
								2. Regular external and internal audit reviews carried out on Fund systems and processes.	2. Implemented	100%						
								3. Annual undertaking for all staff in relation to conduct and behaviour.	3. Implemented	100%						
								4. The fund is included in WCC's Fraud programme.	4. Implemented	100%						
In Top 20	To provide excellent customer service	Governance	G5	Failure to recruit and retain people with the right experience, qualifications and skill sets.	Medium (3)	Medium (3)	Medium (9)	1. Staffing structure and training/development plans of the Fund are such that a certain degree of natural succession is available.	1. Implemented	100%	Medium (3)	Low (2)	Medium (6)	Annually	Aug 15	Head of Governance
								2. Exit plans are in place for officers when they leave to ensure that key tasks etc. are picked up.	2. Implemented	100%						
								3. Signatory lists are reviewed regularly.	3. Implemented	100%						

WEST MIDLANDS PENSION FUND RISK REGISTER

Top 20	Objective at risk	Details of risk, including consequences			Assessment of risk (Assume NO controls in place)			Control	Status (e.g. implemented, in progress, proposed)	% Complete	Assessment of risk (Control measures in place)			Review frequency	Date of next review	Risk owner
		Area at risk	Risk ref.	Risk event	Impact	Likelihood	Risk rating				Impact	Likelihood	Risk rating			
In Top 20	To provide excellent customer service	Governance	G6	Failure to adhere to statutory requirements/LGPS regulations.	High (4)	Medium (3)	Medium (12)	1. Governance team in place to help translate regulations 2. Technical team in place to help translate regulations and to ensure new systems meet regulatory requirements. 3. Robust testing process for any system changes. 4. Use of other Fund's (that use UPM) knowledge. 5. Civica have enhanced their specialist LGPS knowledge and can challenge any changes which do not adhere to the regulations. 6. Communication that there may be a short period where turnaround times may not meet performance measures due to desire to maintain accuracy during the period of change. 7. Internal dispute resolution (IDRP) process: (a) Undertaken IDR process review (b) IDR guide updated and being piloted with employers 8. ABS delivery: (a) Provided feedback into LGA survey, to be reported to TPR (b) Sent follow up letter to Civica (c) WMPF report to TPR as required to meet reporting requirements and follow up on actions (d) Produced reports for all employers, highlighting issues. Met with 4 out of 7 districts to follow up. Expect to have met with all 7 by end of November.	1. Implemented 2. In progress 3. In progress 4. Implemented 5. In progress 6. Implemented 7. In progress 8. (a) - (c) Implemented (d) In progress	100% 70% 100% 80% 60%	High (4)	Low (2)	Medium (8)	Fortnightly	W/c 22 February 2016	
In Top 20	All objectives	Governance	G7	Change in government policy/LGPS reforms	Very high (5)	High (4)	High (20)	1. The Fund keeps abreast of developments, participating in consultation and calls for evidence, and collaborating with other funds.	1. Implemented	100%	High (4)	High (4)	High (16)	Monthly	Feb 16	Strategic Director of Pensions
In Top 20	To provide excellent customer service	Governance	G8	Pensions Administration is not operating as efficiently as possible	Medium (3)	Medium (3)	Medium (9)	1. Review volumes and targets 2. Identify and implement process improvements 3. Increase resource through the Pensions Administration structure review - to include the dissemination of technical knowledge in the team.	1. In progress 2. In progress 3. In progress	80% 20% 50%	Medium (3)	Low (2)	Medium (6)	Annually Quarterly Quarterly	Aug 16 Apr 16 Apr 16	Assistant Director (Actuarial & Pensions)

FINANCE RISKS																
Top 20	Objective at risk	Details of risk, including consequences			Assessment of risk (Assume NO controls in place)			Control	Status (e.g. implemented, in progress, proposed)	% Complete	Assessment of risk (Control measures in place)			Review frequency	Date of next review	Risk owner
		Area at risk	Risk ref.	Risk event	Impact	Likelihood	Risk rating				Impact	Likelihood	Risk rating			
In Top 20	To provide excellent customer service	Finance	E1	Payments are delayed	Low (2)	High (4)	Medium (8)	1. Processes in place for checking and making payments promptly. 2. Increase in communication between departments. 3. Death payments: (a) Cross-team support and extra cover (b) Plan to reduce backlog on a week by week basis	1. Implemented 2. Implemented 3. Implemented	100% 100% 100%	Low (2)	Medium (3)	Medium (6)	Monthly	Feb 16	Head of Finance/Assistant Director (Actuarial & Pensions)
In Top 20	To become a top performing Fund	Finance	E2	Inability to settle trades due to inadequate cash flow.	Medium (3)	High (4)	Medium (12)	1. Monthly cash flow monitoring is conducted by the Finance team with regular reports to IMT. 2. Fund holds liquid assets, the levels of which it reviews at monthly IMT meetings. 3. Constant dialogue between investments and finance setting out investment intentions early.	1. Implemented 2. Implemented 3. Implemented	100% 100% 100%	Medium (3)	Low (2)	Medium (6)	1. Monthly 2. Monthly 3. Monthly	Feb 16 Feb 16 Feb 16	Head of Finance
In Top 20	To provide excellent customer service	Finance	E3	The Fund is unable to comply with CIPFA cost disclosure guidance for the annual accounts	Medium (3)	High (5)	High (15)	1. Request the information from Fund Managers 2. Monitor which managers respond and chase none responses 3. Sense check responses with Investments Team	1. Implemented 2. Implemented 3. Implemented	100% 100% 100%	Medium (3)	Medium (3)	Medium (9)	Quarterly	Apr 16	Head of Finance

**IMPACT AND LIKELIHOOD KEY**

**The Fund uses a 5-point scoring system to assess the likelihood and impact of the risks it identifies.**

<b>Likelihood</b>	<b>Definition</b>	<b>Scale</b>	<b>Value</b>
Very high	Extremely likely to occur	71-99% chance	5
High	Fairly likely to occur	51-70% chance	4
Medium	Possible it may occur	31-50% chance	3
Low	Low but not impossible	11-30% chance	2
Very low	Very low but not impossible	Up to 10% chance	1

<b>Impact</b>	<b>Definition</b>	<b>Scale</b>	<b>Value</b>
Very high	Cannot achieve one or more objectives	Showstopper	5
High	Large impact on objectives	Major shortfalls	4
Medium	Medium impact on objectives	Some shortfalls	3
Low	Low impact on objectives	A few shortfalls	2
Very low	Very low impact on objectives	Few shortfalls of a limited nature	1

PA5	16	1
PA1	16	2
GOV7	16	3
PA7	12	4
PA3	12	5
PA2	12	6
GOV2	12	7
GOV1	12	8
PA9	9	9
GOV3	9	10
INV7	9	
PA8	8	
INV2	8	
INV1	8	
GOV6	8	
PA6	6	
PA4	6	
PA10	6	
INV5	6	
INV4	6	
INV3	6	
GOV8	6	
GOV5	6	
GOV4	6	
FIN3	6	
FIN2	6	
FIN1	6	
INV6	4	