

Risk Heading	Previous Risk Rating Jan 08	Impact (Financial & Reputation) (A) 1-3	Probability (B) 1-3	Total Risk (Mar 08) = (A x B)	Revised Risk Grade Mar 08	Current Controls	Further mitigating actions required to minimise risks	Responsibility & Timeframe (where applicable)	Sources of Assurance / KPIs
<b>Strategic &amp; Governance</b>									
Failure to comply with the requirements of the Annotated Combined Code / make incorrect statements of compliance / fail to disclose non-compliance.	S	2	2	4	M	Reviews performed in conjunction with Internal and External Auditors to ascertain position, monitor compliance and subsequent action plan. Combined code mapped to supporting evidence to demonstrate and evidence compliance.	Implementation of identified actions to address non compliance in specific areas. Collation and regular update of supporting documentation with respect to compliance. Disclosure of all areas of non compliance in the annual report.	Chief Executive (Continuing - annual formal review)	Combined code compliance mapped by internal audit to supporting evidence. Requirement for External audit to review specific elements as part of annual audit.
Failure to maintain an appropriately balanced and skilled board.	S	3	1	3	S	The board has recently performed a skills audit to identify current skills, desired skills and hence determine shortfalls.	Development of board appraisal processes. Seek new members in accordance with identified shortfall - legal.	Chairman & Chief Executive (March 2008). Recruitment exercise to commence upon completion.	Annual board review of performance (December meeting). Corporate Governance review by Internal Audit provider.
<b>Financial</b>									
Failure of budgetary control environment to monitor and manage the financial position of the Society.	M	2	1	2	M	Established annual budget setting and approval process. Devolved budgetary control environment requiring proactive response to identified variances. Quarterly management accounts prepared and reported to Board.	Monthly circulation of management accounts to Board members.	Finance Director (monthly)	Management accounts prepared in a timely manner following month end (10 working days). Board papers issued in timely manner for consideration (target 10 working days prior to meeting).
Investments fail to perform as expected resulting in loss of expected income and impacting upon financial stability.	M	3	2	6	S	Regular investment management reports and actuary review. Risk based investment strategy and policy. Strict management of control bands and credit risk, capital adequacy regularly assessed	Investment committee to be fully appraised of all significant developments. Committee to meet at least quarterly with advisers present	Investment Committee & Finance Director (quarterly)	Stock Broker, Cash funds intermediary, Actuarial Function Holder.
<b>Operational</b>									
Failure of business continuity frameworks to appropriately respond to disaster.	F	3	2	6	S	Introduced new process for back up and retention of IT System data. Document imaging system in place to reduce the volume of paperwork held. Documented policies and procedures.	Perform disaster recovery test to ascertain the effectiveness of arrangements and identify areas of further development.	Chief Executive & IT Manager (June 2008)	IT DR Provider & Internal Audit.
Failure to retain staff of sufficient quantity and quality to achieve the Society's objectives.	S	3	2	6	S	Appraisal and development programme in place for all staff, aligned to training and pay awards.	Regular staff meetings to deal with generic employment issues and working environment. Maintain a watching eye over the local job market to ensure salaries remain competitive.	Senior Management Team (quarterly reporting)	Internal Audit.
Failure to effectively administer member accounts leads to financial or reputational loss.	M	2	1	2	M	On job training and reference materials (policies and procedures) in place to guide staff in the correct performance of their duties. Process of compliance checks and reconciliations in place. Segregation of duties.	Continuous development and documentation of all policies and systems. Introduction of induction training and refresher courses for infrequent users.	Training & Development Manager	Effective internal reporting. Internal Audit & Training Schedule.
MIS system fails to provide adequate and effective reports upon which to manage the Society and support the decision making processes.	S	3	2	6	S	Society is aware of the limitations of the current MIS system. Internal controls have been developed around the current system.	Development of new/updated member system to facilitate greater user and reporting functionality.	Chief Executive & IT Manager (Continuing)	Effective internal reporting & Internal Audit.
<b>Information Technology</b>									
Failure to hold data in a secure environment leading to unauthorised access to personal or confidential information, corruption or loss.	S	3	1	3	S	Appropriate operating system and application controls in place over electronic information. Appropriate back up procedures in place.	Planned framework of staff training on the importance of basic IT security controls. IT Manager to monitor compliance with IT policies.	IT Manager (June 2008)	IT DR Provider & Internal Audit.