NORTH YORKSHIRE COUNTY COUNCIL

PENSION BOARD

24 JANUARY 2019

PENSION FUND RISK REGISTER

1.0 PURPOSE OF THE REPORT

1.1 To provide Pension Board members with the opportunity to comment on the Pension Fund risk register.

2.0 BACKGROUND

2.1 The risk register for the Pension Fund is updated every six months and is formally approved annually by the Pension Fund Committee (PFC). It is also reviewed by the Pension Board after each six monthly update. The Risk Register was last approved by the PFC in July 2018 as part of the annual governance review of the Fund.

2.2 There are two risks ranked as red, two as amber and six as green on the latest version of the risk register. The assessment of the highest ranked risks is primarily driven by the financial impact each could have, if each risk actually occurred.

2.3 The first red risk is on the LGPS Pooling Arrangements; this is currently considered the key risk of the Pension Fund. It is a major change to the way in which the assets of the Pension Fund are managed with a potential risk that the Fund is no longer able to effectively implement its investment strategy.

2.4 Pension Fund solvency also remains a red risk, despite the funding level of 115% as at 30 September 2018. This is due to the unpredictable and volatile nature of global financial markets on which both investment returns and actuarial assumptions used to value liabilities are based. The potential consequence of the risk occurring is a significant increase in contribution rates for the Fund's employers and/or an extension to the deficit recovery period. The Fund is currently in the process of de-risking its investment strategy.

2.5 A new green risk has also been added as part of this update on the staffing resources within the Pension Fund teams.

3.0 RECENT EVENTS

3.1 The latest version of the risk register (attached as **Appendix 1 & 2**) was updated by officers in November 2018. The next version of the risk register will be updated in May 2019 and taken to the PFC for approval in the July meeting as part of the Fund's next annual governance review.

3.2 Board members are asked to review the risk register and provide any feedback that they have as part of their scrutiny role of the Fund's governance arrangements. Any necessary amendments will be made to the next version that is to go to the PFC.

4.0 **RECOMMENDATION**

4.1 Pension Board Members to provide feedback on the latest Risk Register

Appendix 1

North Yorkshire Pension Fund

Risk Register: **October 2018 Review – summary**
Next Review Due: **April 2019**
Report Date: **19th November 2018 (*cpc*)**

Identity			Person		Classification														Fallback Plan	
					Pre						RR		Post							
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat	FBPlan	Action Manager
◀▶	**44/4 - Pension Fund Solvency**	Solvency deteriorates due to liability growth exceeding expectations and / or underperforming investment returns, inappropriate actuarial assumptions, or adverse market conditions requiring a review of employer contributions, additional payments or extended recovery period	CD SR	CSD SR Senior Accountant Pensions	M	M	H	L	M	2	5	31/03/2019	M	M	H	L	M	2	Y	CSD SR Senior Accountant Pensions
◀▶	**44/201 - LGPS Pooling Transition**	Failure to transition effectively to new pooling arrangements resulting in poorer value for money; lower investment returns; and inability to effectively execute investment strategy.	CD SR	CSD SR Senior Accountant Pensions	M	M	H	L	H	2	6	30/04/2019	M	M	H	L	M	2	Y	CD SR
◀▶	**44/8 - Investment Strategy**	Failure of the investment strategy to achieve sufficient returns from investments	CD SR	CSD SR Senior Accountant Pensions	L	M	H	L	M	3	4	30/04/2019	L	M	H	L	M	3	Y	CSD SR Senior Accountant Pensions
◀▶	**44/20 - Fraud**	Internal and/or external fraud as a result of inappropriate pension administration, investment activity and cash reconciliation results in financial loss, loss of reputation	CD SR	CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	L	L	H	L	M	3	4	30/04/2019	L	L	H	L	M	3	Y	CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions
◀▶	**44/11 - Benefit Payments**	Incorrect/late benefits and payments to members resulting in criticism, customer dissatisfaction, under/over payments	CD SR	CSD SR Head of Pensions Administration	M	L	L	L	M	4	4	30/04/2019	L	L	L	L	M	5	Y	CSD SR Head of Pensions Administration
- new -	**44/207 - Resources**	Insufficient staffing resources to adequately service the needs of the Fund resulting in delays, reduced performance and complaints	CD SR	CSD SR Senior Accountant Pensions CSD SR Head of Pensions Administration	M	M	L	M	L	4	3	30/04/2019	L	M	L	M	L	5	Y	CSD SR Senior Accountant Pensions CSD SR Head of Pensions Administration

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Identity			Person		Classification														Fallback Plan	
					Pre						RR		Post							
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat	FBPlan	Action Manager
◀▶	**44/10 - Regulations and Legislation**	LGPS Regulations and Employer Related Legislation not interpreted and implemented correctly resulting in legal challenge	CD SR	CSD SR Head of Pensions Administration	M	L	L	L	L	**5**	2	30/04/2019	M	L	L	L	L	**5**	Y	CSD SR Senior Accountant Pensions CSD SR Head of Pensions Administration
◀▶	**44/14 - IT Systems**	Failure of IT Pension system or other IT systems for more than 2 days (or at a critical time) resulting in backlog, incorrect payments, increased overtime, criticism	CD SR	CSD SR Head of Pensions Administration	L	M	L	M	M	**5**	3	30/04/2019	L	M	L	M	M	**5**	Y	CSD SR Head of Pensions Administration
◀▶	**44/7 - Investment Manager**	Failure of a pension fund investment manager to meet adequate performance levels resulting in reduced financial returns, re-tendering exercise	CD SR	CSD SR Senior Accountant Pensions	L	M	M	L	L	**5**	3	30/04/2019	L	M	M	L	L	**5**	Y	CSD SR Senior Accountant Pensions
◀▶	**44/16 - Key Personnel**	Loss and unavailability of key personnel, leading to potential knowledge gaps and delays to provision of advice as new personnel take on key roles resulting in reduced performance and complaints.	CD SR	CSD SR Senior Accountant Pensions CSD SR Head of Pensions Administration	L	M	L	M	L	**5**	4	30/04/2019	L	M	L	M	L	**5**	Y	CSD SR Senior Accountant Pensions CSD SR Head of Pensions Administration

Key	
▲	Risk Ranking has worsened since last review.
▼	Risk Ranking has improved since last review
◀▶	Risk Ranking is same as last review
- new -	New or significantly altered risk

Abbreviations		**Classifications**	
CD SR	Corporate Director Strategic Resources	Prob	Probability
CSD SR	Central Services Directorate Strategic Resources	Obj	Impact on Objectives
FB Plan	Fallback Plan	Fin	Financial Impact
LGPS	Local Government Pension Scheme	Serv	Impact on Services
IT	Information Technology	Rep	Reputational Impact
		RRs	Number of risk reduction actions to be carried out

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Likelihood	
Probability	H = > 60% or Probable M = 30% to 60% or Possible L = < 30% or Unlikely
Impact	
Objectives	H = Three or four of the Fund's key objectives adversely impacted M = No more than two of the Fund's key objectives adversely impacted L = No more than one of the Fund's key objectives adversely impacted
Financial	H = Substantial/Over 2% (£48M) increase in contribution rate or loss of major opportunity M = Notable/0.5%-2% (£12M-£48M) increase in contribution rate or loss of notable opportunity L = Minor/Up to 0.5% (£12M) increase in contribution rate or loss of some opportunity
Services	H = Widespread impact, 2/3 services affected, significant project slippage M = Declining Performance, notable inconvenience L = Minor service impact, resolved locally, minor inconvenience
Reputation	H = Significant Member/Employer complaints, national media M = Notable Member/Employer complaints, regional media, L = Some Member/Employer complaints, local adverse media coverage

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Appendix 2

North Yorkshire Pension Fund

Risk Register: **October 2018 Review – detailed**
Next Review Due: **April 2019**
Report Date: **19th November 2018 (*cpc*)**

Phase 1 - Identification							
Risk Number	44/4	**Risk Title**	44/4 - Pension Fund Solvency	**Risk Owner**	CD SR	**Manager**	CSD SR Senior Accountant Pensions
Description	Solvency deteriorates due to liability growth exceeding expectations and / or underperforming investment returns, inappropriate actuarial assumptions, or adverse market conditions requiring a review of employer contributions, additional payments or extended recovery period			**Risk Group**	Financial	**Risk Type**	

Phase 2 - Current Assessment											
Current Control Measures			Deficit recovery period; adopt prudent actuarial assumptions; all assumptions reviewed every 3 years; measure liabilities against investment returns on a quarterly basis; regular reports to PFC; fixed income review; new rates provided for employers;								
Probability	M	**Objectives**	M	**Financial**	H	**Services**	L	**Reputation**	M	**Category**	2

Phase 3 - Risk Reduction Actions					
		Action Manager	**Action by**	**Completed**	**%**
Reduction	44/6 - Consultation with Actuary re assumptions used and discuss and carry out action where necessary (ongoing)	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/7 - Regular review of investment strategy to maximise investments; ongoing action linked to triennial valuations	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/475 - Take appropriate action following the pre-valuation data quality and cash flow analysis by the actuary	CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Sun-31-Mar-19		0%
Reduction	44/1909 - Continue with implementation of de-risking options in light of the current positive funding level	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/1912 - Work through transition plan and new operation model for the new Pensions Pool; continuing to work through the transition and implement post pool operating model with a view to beginning fund transfer from June 2019	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%

Phase 4 - Post Risk Reduction Assessment											
Probability	M	**Objectives**	M	**Financial**	H	**Services**	L	**Reputation**	M	**Category**	2

Phase 5 - Fallback Plan		
		Action Manager
Fallback Plan	44/428 - Increased contribution rate from employers and/or extend recovery period	CSD SR Senior Accountant Pensions

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Risk Register: **October 2018 Review – detailed**
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Phase 1 - Identification							
Risk Number	44/201	**Risk Title**	44/201 - LGPS Pooling Transition	**Risk Owner**	CD SR	**Manager**	CSD SR Senior Accountant Pensions
Description	Failure to transition effectively to new pooling arrangements resulting in poorer value for money; lower investment returns; and inability to effectively execute investment strategy.			**Risk Group**	Change Mgt	**Risk Type**	CSD SR 32/24

Phase 2 - Current Assessment											
Current Control Measures			Pension Fund Committee involvement in key pooling decisions; NYPF officer involvement in pooling working groups; Periodic reporting of updates to the Pension Fund Committee; further detail behind the plans received; providing updates to the pension board on a quarterly basis around governance; legal advice on behalf on partner funds; key decision agreed by full council; pooling briefing provided to members;							
Probability	M	**Objectives**	M	**Financial**	H	**Services**	L	**Reputation**	H	**Category**	2

Phase 3 - Risk Reduction Actions					
		Action Manager	**Action by**	**Completed**	**%**
Reduction	44/161 - Consultation with advisors on the implication of pooling and advice on setting up arrangements including sub funds; ongoing advice being sought	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/163 - Keeping Members up to date; an update on pooling is on the PFC agenda every quarter	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/166 - Ensure Pension Board and employers are kept up to date on progress	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/167 - Ensure that PFC continue to be involved in key pooling decisions and informed of transition progress as we move towards June 2019	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/447 - Ensure that as the sub-funds are set up that we can invest into and the process of transition is developed, NYPF have as much involvement as possible to shape this and ensure that it is suitable for our needs; establish due diligence prior to fund transfer for each asset class	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/1913 - Ensure post go live reporting and information is as required	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%

Phase 4 - Post Risk Reduction Assessment											
Probability	M	**Objectives**	M	**Financial**	H	**Services**	L	**Reputation**	M	**Category**	2

Phase 5 - Fallback Plan		
		Action Manager
Fallback Plan	44/544 - No current alternative to pooling	CD SR

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Risk Register: **October 2018 Review – detailed**
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Phase 1 - Identification							
Risk Number	44/8	**Risk Title**	44/8 - Investment Strategy	**Risk Owner**	CD SR	**Manager**	CSD SR Senior Accountant Pensions
Description	Failure of the investment strategy to achieve sufficient returns from investments			**Risk Group**	Strategic	**Risk Type**	

Phase 2 - Current Assessment											
Current Control Measures			Strategy reviewed through asset/liability modelling; risk budgeting; experience and knowledge of the market and suitable forms of investment; Member training; Independent Investment Adviser and Consultant reports; PFC workshops and sign off of strategy; regular monitoring of investment performance; fixed income review; impact of MiFID monitored								
Probability	L	**Objectives**	M	**Financial**	H	**Services**	L	**Reputation**	M	**Category**	3

Phase 3 - Risk Reduction Actions					
		Action Manager	**Action by**	**Completed**	**%**
Reduction	44/1876 - Continual review of the investment strategy and implement the recommendations, including consideration of pooling arrangements	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/1878 - Quarterly monitoring of appropriateness of strategy against prevailing market conditions (including Brexit)	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/1879 - Monitor the Advisor and Consultants reports and act on professional advice	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/1909 - Continue with implementation of de-risking options in light of the current positive funding level	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%

Phase 4 - Post Risk Reduction Assessment											
Probability	L	**Objectives**	M	**Financial**	H	**Services**	L	**Reputation**	M	**Category**	3

Phase 5 - Fallback Plan		
		Action Manager
Fallback Plan	44/430 - Review the strategy and implement changes as necessary based on the forward assessment of financial markets	CSD SR Senior Accountant Pensions

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Phase 1 - Identification

Risk Number	44/20	**Risk Title**	44/20 - Fraud	**Risk Owner**	CD SR	**Manager**	CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions
Description	Internal and/or external fraud as a result of inappropriate pension administration, investment activity and cash reconciliation results in financial loss, loss of reputation			**Risk Group**	Pers/Capacity	**Risk Type**	

Phase 2 - Current Assessment

Current Control Measures			Internal Audit; internal checking and authorisation procedures and levels in both pension section and finance; split between administration and finance; all third parties have regular audits and regulated by FCA; legally binding contracts in place; governance arrangements for the delegation of duties; use of BACS payments; monthly mortality monitoring; participate in National Fraud Initiative								
Probability	L	**Objectives**	L	**Financial**	H	**Services**	L	**Reputation**	M	**Category**	3

Phase 3 - Risk Reduction Actions

		Action Manager	Action by	Completed	%
Reduction	44/1887 - Continually review processes and procedures including authorisation levels	CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/1888 - Ongoing internal audit assessment and annual review by external auditors	CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/1890 - Annual independent external audit of pension fund (separate from County Council) and carry out appropriate recommendations	CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/1894 - Review of external manager audit and risk reports	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%

Phase 4 - Post Risk Reduction Assessment

Probability	L	**Objectives**	L	**Financial**	H	**Services**	L	**Reputation**	M	**Category**	3

Phase 5 - Fallback Plan

		Action Manager
Fallback Plan	44/434 - Review incident and update procedures/processes accordingly	CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions

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Risk Register: **October 2018 Review – detailed**
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Phase 1 - Identification							
Risk Number	44/11	**Risk Title**	44/11 - Benefit Payments	**Risk Owner**	CD SR	**Manager**	CSD SR Head of Pensions Administration
Description	Incorrect/late benefits and payments to members resulting in criticism, customer dissatisfaction, under/over payments			**Risk Group**	Performance	**Risk Type**	

Phase 2 - Current Assessment											
Current Control Measures			Up to date procedures and procedural checking; pension software up to date; workflow system; authorisation procedures; pro formas; staff training; audit trail; internal and external audits; Pensions Administration Strategy; Manuals available for calculation procedure; action plan for clean data requirements; use of task checklists; ESS; payment timetable flowchart								
Probability	M	**Objectives**	L	**Financial**	L	**Services**	L	**Reputation**	M	**Category**	4

Phase 3 - Risk Reduction Actions					
		Action Manager	**Action by**	**Completed**	**%**
Reduction	44/476 - Create and implement a data improvement plan	CSD SR Head of Pensions Administration	Tue-30-Apr-19		0%
Reduction	44/1893 - Effective communication with employers, with particular regard to customer expectations	CSD SR Head of Pensions Administration	Tue-30-Apr-19		0%
Reduction	44/1896 - Regular liaison with ESS regarding operational arrangements; will be holding monthly meetings to ensure understanding of the issues on both sides leading to continued improvement	CSD SR Head of Pensions Administration	Tue-30-Apr-19		0%
Reduction	44/1911 - Implement the plans for the managed reduction of outstanding work	CSD SR Head of Pensions Administration	Tue-30-Apr-19		0%

Phase 4 - Post Risk Reduction Assessment											
Probability	L	**Objectives**	L	**Financial**	L	**Services**	L	**Reputation**	M	**Category**	5

Phase 5 - Fallback Plan		
		Action Manager
Fallback Plan	44/435 - Correct errors and review and amend existing procedures	CSD SR Head of Pensions Administration

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Risk Register: **October 2018 Review – detailed**
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Report Date: **19th November 2018 (*cpc*)**

Phase 1 - Identification							
Risk Number	44/207	**Risk Title**	44/207 - Resources	**Risk Owner**	CD SR	**Manager**	CSD SR Senior Accountant Pensions CSD SR Head of Pensions Administration
Description	Insufficient staffing resources to adequately service the needs of the Fund resulting in delays, reduced performance and complaints			**Risk Group**	Capacity/performance	**Risk Type**	

Phase 2 - Current Assessment											
Current Control Measures										**Effectiveness**	
Probability	M	**Objectives**	M	**Financial**	L	**Services**	M	**Reputation**	L	**Category**	4

Phase 3 - Risk Reduction Actions					
		Action Manager	**Action by**	**Completed**	**%**
Reduction	44/478 - Assess areas of greatest concern, mapping workload against available resource and engaging with Tech and Change on potential efficiencies from the process mapping exercises	CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/479 - Develop plan to deal with identified resource gaps	CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/480 - Obtain sign off for any extra resource need identified	CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%

Phase 4 - Post Risk Reduction Assessment											
Probability	L	**Objectives**	M	**Financial**	L	**Services**	M	**Reputation**	L	**Category**	5

Phase 5 - Fallback Plan		
		Action Manager
Fallback Plan	44/553 - Obtain assistance from 3rd party administration provider.	CSD SR Senior Accountant Pensions CSD SR Head of Pensions Administration

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Risk Register: **October 2018 Review – detailed**
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Phase 1 - Identification							
Risk Number	44/10	**Risk Title**	44/10 - Regulations and Legislation	**Risk Owner**	CD SR	**Manager**	CSD SR Head of Pensions Administration
Description	LGPS Regulations and Employer Related Legislation not interpreted and implemented correctly resulting in legal challenge			**Risk Group**	Performance	**Risk Type**	

Phase 2 - Current Assessment											
Current Control Measures			Specialist knowledge; designated members of staff; regular updates & comms with CLG; LGPC; Actuarial advice; Employers Forums; NEPOF; section training by specialist staff; specialist software; advice on calculations interpretations; investment mgt agreement; awareness of overriding legislation; broadening of knowledge across MT; LGE advice; nat. technical pension group provide advice; Trustees knowledge and understanding toolkit; Pensions Administration team structure reviewed; training feedback received in order to continually strengthen understanding; GDPR advice and training sessions; mandatory GDPR training for asset owners; impact of MiFID monitored							
Probability	M	**Objectives**	L	**Financial**	L	**Services**	L	**Reputation**	L	**Category**	5

Phase 3 - Risk Reduction Actions					
		Action Manager	**Action by**	**Completed**	**%**
Reduction	44/157 - Ongoing staff training programme	CSD SR Head of Pensions Administration	Tue-30-Apr-19		0%
Reduction	44/1910 - Continue to promote cross skilling within the section to improve resilience	CSD SR Head of Pensions Administration	Tue-30-Apr-19		0%

Phase 4 - Post Risk Reduction Assessment											
Probability	M	**Objectives**	L	**Financial**	L	**Services**	L	**Reputation**	L	**Category**	5

Phase 5 - Fallback Plan		
		Action Manager
Fallback Plan	44/437 - Review existing interpretations, take legal advice and amend procedures as required	CSD SR Senior Accountant Pensions CSD SR Head of Pensions Administration

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Risk Register: **October 2018 Review – detailed**
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Phase 1 - Identification							
Risk Number	44/14	**Risk Title**	44/14 - IT Systems	**Risk Owner**	CD SR	**Manager**	CSD SR Head of Pensions Administration
Description	Failure of IT Pension system or other IT systems for more than 2 days (or at a critical time) resulting in backlog, incorrect payments, increased overtime, criticism			**Risk Group**	Technological	**Risk Type**	

Phase 2 - Current Assessment											
Current Control Measures			Manual payments, DR plan and tested, contracts for server maintenance, backups off site, major external providers have DR plans, manual calculation procedures, administration manuals, annual financial check, contingency plan in place, modern council; modern council working to aid resilience,								
Probability	L	**Objectives**	M	**Financial**	L	**Services**	M	**Reputation**	M	**Category**	5

Phase 3 - Risk Reduction Actions					
		Action Manager	**Action by**	**Completed**	**%**
Reduction	44/477 - Ensure business continuity and system resilience matters are appropriately considered with the procurement exercise for the new pension system	CSD SR Head of Pensions Administration	Tue-30-Apr-19		0%
Reduction	44/1884 - Ensure that contingency planning arrangements are regularly reviewed and updates logged on the corporate system	CSD SR Head of Pensions Administration	Tue-30-Apr-19		0%
Reduction	44/1898 - Sense check any IT recovery assumptions with Tech & Change run systems	CSD SR Head of Pensions Administration	Tue-30-Apr-19		0%

Phase 4 - Post Risk Reduction Assessment											
Probability	L	**Objectives**	M	**Financial**	L	**Services**	M	**Reputation**	M	**Category**	5

Phase 5 - Fallback Plan		
		Action Manager
Fallback Plan	44/433 - Recourse to manual calculations and payments, Liaise with software provider to restore system, find alternative supplier	CSD SR Head of Pensions Administration

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Risk Register: **October 2018 Review – detailed**
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Phase 1 - Identification							
Risk Number	44/7	**Risk Title**	44/7 - Investment Manager	**Risk Owner**	CD SR	**Manager**	CSD SR Senior Accountant Pensions
Description	Failure of a pension fund investment manager to meet adequate performance levels resulting in reduced financial returns, re-tendering exercise			**Risk Group**	Performance	**Risk Type**	

Phase 2 - Current Assessment											
Current Control Measures			Qrtly review of investment mgr targets; std terms and conds re termination of contract; ext advisers monitor mgrs perf; qrtly repts to Pension Fund Comm; benchmarking against other approp comparators; investment strategy review; risk budgeting exercise via Aon; reporting by Custodian; fund mgr attend at PFC; Member training; best practice procurement process; diversified portfolio of investments;							
Probability	L	**Objectives**	M	**Financial**	M	**Services**	L	**Reputation**	L	**Category**	5

Phase 3 - Risk Reduction Actions					
		Action Manager	**Action by**	**Completed**	**%**
Reduction	44/1873 - Continue to monitor and report on investment returns on a regular basis	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/1874 - Continue to meet/report to PFC by Fund Managers and assess critical analysis by advisers	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/1875 - Carry out when appropriate, a tender exercise and use best practice procurement process to ensure positive outcome re new investment manager(s)	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%

Phase 4 - Post Risk Reduction Assessment											
Probability	L	**Objectives**	M	**Financial**	M	**Services**	L	**Reputation**	L	**Category**	5

Phase 5 - Fallback Plan		
		Action Manager
Fallback Plan	44/429 - Change Fund Manager and redistribute funds, potentially transfer to temporary passive Fund Manager	CSD SR Senior Accountant Pensions

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Risk Register: **October 2018 Review – detailed**
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Phase 1 - Identification							
Risk Number	44/16	**Risk Title**	44/16 - Key Personnel	**Risk Owner**	CD SR	**Manager**	CSD SR Senior Accountant Pensions CSD SR Head of Pensions Administration
Description	Loss and unavailability of key personnel, leading to potential knowledge gaps and delays to provision of advice as new personnel take on key roles resulting in reduced performance and complaints.			**Risk Group**	Capacity/performance	**Risk Type**	

Phase 2 - Current Assessment											
Current Control Measures			Procedure notes; knowledge sharing; file management; deputies; co-operation between departments; pensions management meetings; comprehensive training matrix; PFC action notes; professional advisors; increase resources agreed in finance team;								
Probability	L	**Objectives**	M	**Financial**	L	**Services**	M	**Reputation**	L	**Category**	5

Phase 3 - Risk Reduction Actions					
		Action Manager	**Action by**	**Completed**	**%**
Reduction	44/1901 - Ensure effective management and transition arrangements are in place pending any review of management structure	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/1905 - Continue to build resilience, particularly at Senior Accountant level, to meet current and anticipated future demands and complexity	CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/1907 - Carry out appropriate induction and ongoing training for new PFC members	CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%
Reduction	44/1908 - Ensure inclusion of key personnel with relevant external advisers or feedback from such meetings/telephone calls (on going)	CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Tue-30-Apr-19		0%

Phase 4 - Post Risk Reduction Assessment											
Probability	L	**Objectives**	M	**Financial**	L	**Services**	M	**Reputation**	L	**Category**	5

Phase 5 - Fallback Plan		
		Action Manager
Fallback Plan	44/441 - Identify temporary cover arrangements plus additional resources where required	CSD SR Senior Accountant Pensions CSD SR Head of Pensions Administration

North Yorkshire County Council
Risk Management Service