

North Yorkshire County Council

Pension Board

16 January 2020

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 2019 as part of the annual governance review of the Fund.
- 2.2 The summary report of the Risk Register is included at **Appendix 1** with the detail included as **Appendix 2**.







3.0 Recommendation

- 3.1 Pension Board Members to provide feedback on the latest Risk Register.

North Yorkshire Pension Fund






Appendix 1




Risk Register: **November 2019 Review – summary**
 Next Review Due: **May 2020**
 Report Date: **2nd December 2019 (na)**

Identity			Person		Classification												Fallback Plan			
Risk No	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre						RR		Post						FBPlan	Action Manager
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat		
	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	6	31/05/2020	M	M	H	L	M	2	Y	CSD SR Senior Accountant Pensions
	44/222 - 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	31/05/2020	M	M	H	L	M	2	Y	CD SR
	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	H	M	M	M	M	2	4	31/05/2020	M	M	M	M	L	4	Y	CSD SR Senior Accountant Pensions CSD SR Head of Pensions Administration
	44/8 - Investment Strategy (including Responsible Investment)	Failure of the investment strategy to achieve sufficient returns from investments whilst maintaining assurances that investments are made in an environmentally and socially responsible manner	CD SR	CSD SR Senior Accountant Pensions	L	M	H	L	H	3	6	31/05/2020	L	M	H	L	H	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	5	31/05/2020	L	L	H	L	M	3	Y	CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions
	44/1 - Employer Contributions	Failure to maintain sustainability and affordability of employer contributions and ensure those contributions are efficiently collected at the required times	CD SR	CSD SR Head of Pensions Administration	M	M	M	Nil	M	4	7	31/01/2020	M	M	M	Nil	M	4	Y	CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions

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Risk No	Identity		Person		Classification												Fallback Plan			
	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre					RR		Post					FBPlan	Action Manager		
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv			Rep	Cat
	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	M	4	2	31/05/2020	M	L	L	L	L	5	Y	CSD SR Senior Accountant Pensions CSD SR Head of Pensions Administration
	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	5	31/03/2020	L	L	L	L	M	5	Y	CSD SR Head of Pensions Administration
	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	M	M	L	M	M	4	4	31/05/2020	L	M	L	M	M	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	31/05/2020	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	5	31/05/2020	L	M	M	L	L	5	Y	CSD SR Senior Accountant Pensions

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

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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

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% increase in contribution rate or loss of major opportunity
	M = Notable/0.5%-2% increase in contribution rate or loss of notable opportunity
	L = Minor/Up to 0.5% 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

Risk Register: **November 2019 Review – detailed**
 Next Review Due: **May 2020**
 Report Date: **2nd December 2019 (na)**

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; high priority data quality actions have been completed; employer covenants completed as part of the 2019 triennial valuation								
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); this has happened for the 2019 valuation						CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/7 - Regular review of investment strategy to maximise investments; ongoing action linked to triennial valuations; reviewed as part of the valuation but continues to be monitored quarterly						CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/551 - Continue to monitor risk around unguaranteed funds and pursue DfE for confirmation of their status as guarantor for Academies; DfE have expressed intention to be guarantor of last resort but prime action for any failed academy would be find a new trust/home for funds						CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/552 - Ensure employer covenants for each employer are completed as part of triennial valuation; actuary is completing the risk assessment						CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Thu-31-Oct-19	Mon-30-Sep-19	100%	
Reduction	44/1909 - Continue with implementation of de-risking options in light of the current positive funding level						CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/1912 - Work through transition plan and new operational model for the new pensions pool; implemented post pool operating model and first funds transferred in May 2019; developing the sub funds to allow further transfers						CSD SR Senior Accountant Pensions	Sun-31-May-20		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: **November 2019 Review – detailed**
 Next Review Due: **May 2020**
 Report Date: **2nd December 2019 (na)**

Phase 1 - Identification											
Risk Number	44/222	Risk Title	44/222 - 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			
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 fund advice being sought						CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/166 - Ensure PFC, Pension Board and employers are kept up to date on pooling progress; pooling update on PFC agenda each quarter						CSD SR Senior Accountant Pensions	Sun-31-May-20		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; continue to establish due diligence prior to fund transfer for each asset class						CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/553 - Continue to ensure that pooling transitions are made at optimum time to reduce exposure to market volatility and costs impact						CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/569 - Ensure that PFC continue to be involved in key pooling decisions and informed of transition progress						CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/1913 - Ensure post go live reporting and information is as required; working group looking at reporting needs; as and when we move funds the reporting will be checked and monitored						CSD SR Senior Accountant Pensions	Sun-31-May-20		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	44/567 - No current alternative to pooling										CD SR

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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			Recruited into accountant post (2019); restructure taken place and now bedding in								
Probability	H	Objectives	M	Financial	M	Services	M	Reputation	M	Category	2
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, "as is" mapping complete, "to be" and accountancy mapping to do and will continue to work on this as we go through the system procurement and development exercise						CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/479 - Develop plan to deal with identified resource gaps; finance mapping taking place						CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/480 - Obtain sign off for any extra resource need identified						CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/557 - Recruit to accountant post						CSD SR Senior Accountant Pensions	Fri-31-May-19	Fri-31-May-19	100%	
Phase 4 - Post Risk Reduction Assessment											
Probability	M	Objectives	M	Financial	M	Services	M	Reputation	L	Category	4
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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Phase 1 - Identification											
Risk Number	44/8	Risk Title	44/8 - Investment Strategy (including Responsible Investment)				Risk Owner	CD SR	Manager	CSD SR Senior Accountant Pensions	
Description	Failure of the investment strategy to achieve sufficient returns from investments whilst maintaining assurances that investments are made in an environmentally and socially responsible manner					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; full review as part of the triennial review; Pool has a Responsible Investment Policy; NYCC strategy statement includes ethical investment policy								
Probability	L	Objectives	M	Financial	H	Services	L	Reputation	H	Category	3
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed	%	
Reduction	44/570 - Consider adopting the Responsible Investment Policy for NYCC						CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/571 - Continue to work to the UK stewardship code (currently a Tier 1 signatory to the seven principles)						CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/1876 - Continual review of the investment strategy and implement the recommendations, including consideration of pooling arrangements						CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/1878 - Quarterly monitoring of appropriateness of strategy against prevailing market conditions (including Brexit)						CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/1879 - Monitor the advisor and consultants reports and act on professional advice						CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/1909 - Continue with implementation of de-risking options in light of the current positive funding level						CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Phase 4 - Post Risk Reduction Assessment											
Probability	L	Objectives	M	Financial	H	Services	L	Reputation	H	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; media management for any reputational incidents									CSD SR Senior Accountant Pensions	

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Risk Register: **November 2019 Review – detailed**
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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	44/572 - Veritau get the output from National Fraud Initiative and pursue any cases of concern for fraud						CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/1887 - Continually review processes and procedures including authorisation levels; being looked at again as part of the system procurement and development exercise						CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Sun-31-May-20		0%	
Reduction	44/1888 - Ongoing internal audit assessment and annual review by external auditors; pension board has asked for expenditure to be look at						CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Sun-31-May-20		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	Sun-31-May-20		0%	
Reduction	44/1894 - Review of external manager audit and risk reports						CSD SR Senior Accountant Pensions	Sun-31-May-20		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: **November 2019 Review – detailed**
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Phase 1 - Identification											
Risk Number	44/1	Risk Title	44/1 - Employer Contributions				Risk Owner	CD SR		Manager	CSD SR Head of Pensions Administration
Description	Failure to maintain sustainability and affordability of employer contributions and ensure those contributions are efficiently collected at the required times					Risk Group	Legislative		Risk Type		
Phase 2 - Current Assessment											
Current Control Measures		Ongoing consultation with Employers; manage the employer contributions through investment strategy; assumptions used in triennial valuation, cost sharing mechanism, funding strategy statement; letter going out advising caution on reductions on future budget position (re not taking payment holiday)									
Probability	M	Objectives	M	Financial	M	Services	Nil	Reputation	M	Category	4
Phase 3 - Risk Reduction Actions											
						Action Manager	Action by	Completed	%		
Reduction	44/552 - Ensure employer covenants for each employer are completed as part of triennial valuation; actuary is completing the risk assessment					CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Thu-31-Oct-19	Mon-30-Sep-19	100%		
Reduction	44/554 - Ensure actuary is provided with accurate membership and cash flow data for the valuation					CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Wed-31-Jul-19	Wed-31-Jul-19	100%		
Reduction	44/555 - Ensure actuary presents fund level outcomes to committee in September and November 2019					CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Mon-30-Sep-19	Wed-31-Jul-19	100%		
Reduction	44/573 - Review the employer contributions spreadsheet to seek to improve the chasing of late payments					CSD SR Senior Accountant Pensions	Sun-31-May-20		0%		
Reduction	44/1821 - Continue to discuss contributions with the employers; employers will be provided with their new rates for the following three financial years and consultation will take place					CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Fri-31-Jan-20		0%		
Reduction	44/1880 - Maximise investments / returns by implementation of the investment strategy					CSD SR Senior Accountant Pensions	Sun-31-May-20		0%		
Reduction	44/1882 - Consult with actuary throughout the 2019 triennial valuation process					CSD SR Head of Pensions Administration CSD SR Senior Accountant Pensions	Sun-31-May-20		0%		
Phase 4 - Post Risk Reduction Assessment											
Probability	M	Objectives	M	Financial	M	Services	Nil	Reputation	M	Category	4
Phase 5 - Fallback Plan											

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

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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	M	Category	4
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed	%	
Reduction	44/157 - Ongoing staff training programme						CSD SR Head of Pensions Administration	Sun-31-May-20		0%	
Reduction	44/1910 - Continue to promote cross skilling within the section to improve resilience						CSD SR Head of Pensions Administration	Sun-31-May-20		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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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 - Complete creation and implementation of a data improvement plan					CSD SR Head of Pensions Administration	Tue-31-Mar-20		0%		
Reduction	44/556 - Complete system review and process mapping in readiness for new system procurement exercise					CSD SR Head of Pensions Administration	Sun-31-May-20		0%		
Reduction	44/1893 - Improved communication with employers, with particular regard to customer expectations; charging has been introduced and we are creating an employer relationship role in the team					CSD SR Head of Pensions Administration	Sun-31-May-20		0%		
Reduction	44/1896 - Regular liaison with ESS regarding operational arrangements; will continue holding monthly meetings to ensure understanding of the issues on both sides leading to continued improvement					CSD SR Head of Pensions Administration	Sun-31-May-20		0%		
Reduction	44/1911 - Continue to implement the plans for the managed reduction of outstanding work					CSD SR Head of Pensions Administration	Sun-31-May-20		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: **November 2019 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	M	Objectives	M	Financial	L	Services	M	Reputation	M	Category	4
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed	%	
Reduction	44/557 - Recruit to accountant post						CSD SR Senior Accountant Pensions	Fri-31-May-19	Fri-31-May-19	100%	
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	Sun-31-May-20		0%	
Reduction	44/1907 - Carry out appropriate induction and ongoing training for new PFC members						CSD SR Senior Accountant Pensions	Sun-31-May-20		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	Sun-31-May-20		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	44/441 - Identify temporary cover arrangements plus additional resources where required							CSD SR Senior Accountant Pensions CSD SR Head of Pensions Administration			

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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	Sun-31-May-20		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	Sun-31-May-20		0%		
Reduction	44/1898 - Sense check any IT recovery assumptions with Tech & Change run systems					CSD SR Head of Pensions Administration	Sun-31-May-20		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			

North Yorkshire Pension Fund

Risk Register: **November 2019 Review – detailed**
 Next Review Due: **May 2020**
 Report Date: **2nd December 2019 (na)**

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	44/574 - Closer monitoring of the managers where NYCC only funds are being reduced / removed.					CSD SR Senior Accountant Pensions	Sun-31-May-20		0%		
Reduction	44/1873 - Continue to monitor and report on investment returns on a regular basis					CSD SR Senior Accountant Pensions	Sun-31-May-20		0%		
Reduction	44/1874 - Continue to meet/report to PFC by Fund Managers and assess critical analysis by advisers					CSD SR Senior Accountant Pensions	Sun-31-May-20		0%		
Reduction	44/1875 - When pool options are unavailable, carry out a tender exercise and use best practice procurement process to ensure positive outcome re new investment manager(s)					CSD SR Senior Accountant Pensions	Sun-31-May-20		0%		
Reduction	44/1913 - Ensure post go live reporting and information is as required; working group looking at reporting needs; as and when we move funds the reporting will be checked and monitored					CSD SR Senior Accountant Pensions	Sun-31-May-20		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					