

North Yorkshire Pension Fund

Risk Register: **November 2021 Review – summary**
 Next Review Due: **May 2022**
 Report Date: **20th December 2021 (cpc)**

Change	Risk Title	Identity Risk Description	Person		Classification											Fallback Plan				
			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, adverse market conditions or legislative changes requiring a review of employer contributions, additional payments or extended recovery period	CD SR	CSD SR Head of Investments	M	M	H	L	M	2	5	31/05/2022	L	M	H	L	M	3	Y	CSD SR Head of Investments
◀▶	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 Head of Investments	M	M	H	L	H	2	6	31/05/2022	M	M	M	L	M	4	Y	CSD SR Head of Investments
◀▶	44/207 - Resources	Insufficient staffing and system resources to adequately service the needs of the Fund resulting in delays, reduced performance and complaints	CD SR	CSD SR Head of Investments CSD SR Head of Pensions Administration	H	M	M	M	M	2	8	31/03/2022	M	M	M	M	L	4	Y	CSD SR Head of Investments 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 responding to cash flows needs and maintaining assurances that investments are made in an environmentally and socially responsible manner	CD SR	CSD SR Head of Investments	L	M	H	L	H	3	7	31/03/2022	L	M	H	L	H	3	Y	CSD SR Head of Investments
◀▶	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 Head of Investments	L	L	H	L	M	3	6	31/12/2021	L	L	M	L	M	5	Y	CSD SR Head of Pensions Administration CSD SR Head of Investments
◀▶	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	3	31/05/2022	M	M	M	Nil	M	4	Y	CSD SR Head of Pensions Administration CSD SR Head of Investments
◀▶	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 Head of Investments CSD SR Head of Pensions Administration	M	M	L	M	M	4	4	31/05/2022	L	M	L	M	M	5	Y	CSD SR Head of Investments CSD SR Head of Pensions Administration



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◀▶	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	31/03/2022	L	L	L	L	M	5	Y	CSD SR Head of Pensions Administration
◀▶	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	3	31/05/2022	M	L	L	L	L	5	Y	CSD SR Head of Investments CSD SR Head of Pensions Administration
◀▶	44/14 - IT Systems	Failure of the physical or digital security of the Pension IT system leaving it vulnerable to downtime or cyber crime attack (includes other IT systems on which pensions rely if affected for more than 2 days or at a critical time) resulting in financial loss, backlog, incorrect payments, increased overtime, criticism	CD SR	CSD SR Head of Pensions Administration	L	M	L	M	M	5	4	31/05/2022	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 Head of Investments	L	M	M	L	L	5	5	31/05/2022	L	M	M	L	L	5	Y	CSD SR Head of Investments

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
		Cat	Risk Category (1 Very High, 2 High, 3 Medium, 4 Medium/Low and 5 Low)
		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 2.5% increase in contribution rate or loss of major opportunity
	M = Notable/0.75%-2.5% increase in contribution rate or loss of notable opportunity
	L = Minor/Up to 0.75% 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

