

North Yorkshire Pension Fund

Appendix 6(a)

Risk Register: **May 2023 Review – summary**
 Next Review Due: **November 2023**
 Report Date: **12th June 2023 (cpc)**

Risk Trend	Risk	Description	Risk Owner	Risk Manager	Curr Prob	Curr Imp	Current Risk Score	Current Category	Targ Prob	Targ Imp	Target Risk Score	Target Category	FB Plan?
↑	RPF6 Resources	Insufficient staffing and system resources to adequately service the needs of the Fund resulting in delays, reduced performance and complaints	CD RES	RES Head of Investments; RES Head of Pensions Administration	H	M	12	Medium High	M	M	9	Medium	✓
↑	RPF9 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 RES	RES Head of Investments; RES Head of Pensions Administration	H	M	12	Medium High	M	M	9	Medium	✓
▬	RPF2 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 RES	RES Head of Investments	M	H	12	Medium High	L	H	8	Medium	✓
▬	RPF8 Employer Contributions	Failure to maintain sustainability and affordability of employer contributions and ensure those contributions are efficiently collected at the required times	CD RES	RES Head of Pensions Administration	M	M	9	Medium	M	M	9	Medium	✓
▬	RPF10 Benefit Payments	Incorrect/late benefits and payments to members resulting in criticism, customer dissatisfaction, under/over payments	CD RES	RES Head of Pensions Administration	M	M	9	Medium	L	M	6	Medium	✓
↓	RPF3 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 RES	RES Head of Investments	M	M	9	Medium	L	L	4	Low	✓
▬	RPF4 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 RES	RES Head of Investments	L	H	8	Medium	L	H	8	Medium	✓

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▬	RPF12 Investment Manager	Failure of a pension fund investment manager (incl BCPP) to meet adequate performance levels resulting in reduced financial returns, re-tendering exercise	CD RES	RES Head of Investments	L	M	6	Medium	L	M	6	Medium	✔
▬	RPF14 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 RES	RES Head of Pensions Administration	L	M	6	Medium	L	M	6	Medium	✔
↓	RPF11 Regulations and Legislation	LGPS Regulations and Employer Related Legislation not interpreted and implemented correctly resulting in legal challenge	CD RES	RES Head of Pensions Administration	L	L	4	Low	L	L	4	Low	✔
↓	RPF5 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 RES	RES Head of Investments; RES Head of Pensions Administration	VL	H	4	Low	VL	H	4	Low	✔

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 RES	Corporate Director Resources	Curr Prob	Probability
RES	Resources Directorate	Curr Imp	Impact on Objectives
FB Plan	Fallback Plan	Targ Prob	Financial Impact
LGPS	Local Government Pension Scheme	Targ Imp	Impact on Services
IT	Information Technology	Rep	Reputational Impact

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Probability	Description
Very High	Over 80% chance; Almost certain; regular occurrence.
High	60-80% chance; Probable; has happened within the last 12 months.
Medium	40-60% chance; Possible; likely to happen at some point in the next one to three years.
Low	10-40% chance; Unlikely; only likely to happen once every three or more years
Very Low	Less than 10% chance; Highly unlikely; has happened rarely or never

Impact	Financial	Objectives	Service Delivery	Reputation
Very High	Major / Over 3.0% increase in contribution rate or loss of major opportunity.	All four of the Fund’s key objectives adversely impacted.	Widespread impact multiple services affected. Requires Corp Director involvement.	External enquiry; Major legislative breach; Significant, prolonged national media coverage.
High	Significant / 2.0% - 3.0 % increase in contribution rate or loss of significant opportunity	Three of the Fund’s key objectives adversely impacted.	Notable impact on service delivery, significant project slippage. Requires Assistant Director involvement.	Some national media coverage; Minor legislative breach; Significant Member / Employer complaints.
Medium	Notable / 1.0% - 2.0 % increase in contribution rate or loss of notable opportunity	Two of the Fund’s key objectives adversely impacted.	Moderate impact on service delivery, declining performance. Requires Head of Service involvement.	Notable Member / Employer complaints; Regional media.
Low	Some / 0.5% - 1.0 % increase in contribution rate or loss of some opportunity	One of the Fund’s key objectives adversely impacted.	Some impact on service delivery. Resolved by local manager.	Minor local media coverage; some Member / Employer complaints.
Very Low	Minor / Up to 0.5% increase in contribution rate or loss of minor opportunity.	None of the Fund’s key objectives adversely impacted.	Little or no impact on service delivery.	Sporadic complaints, little impact outside the Council