

North Yorkshire Pension Fund – Appendix 6

Risk Register: **May 2021 Review – summary**

Next Review Due: **November 2021**

Report Date: **13th May 2021 (pw)**

| Identity | | | Person | | Classification | | | | | | | | | | | | Fallback Plan | | | |
|----------|--|---|------------|--|----------------|-----|-----|------|-----|-----|-----|-------------|------|-----|-----|------|---------------|-----|--------|--|
| Change | 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, 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 | 30/11/2021 | 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 | 30/11/2021 | M | M | M | L | M | 4 | Y | CD 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 | 7 | 30/11/2021 | 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 | 31/07/2021 | 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 | 30/09/2021 | 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 | 30/11/2021 | 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 | CD SR | CSD SR Head of Investments | M | M | L | M | M | 4 | 4 | 30/11/2021 | L | M | L | M | M | 5 | Y | CSD SR Head of Investments |



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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 |
| | | 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 |

| 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 |

