

## NORTH YORKSHIRE COUNTY COUNCIL

## PENSION BOARD

20 JULY 2017

## 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 describes the key risks faced by the Fund. It is updated every six months and is formally approved annually by the Pension Fund Committee. It is also reviewed by the Pension Board after each six monthly update.
- 2.2 There are two risks ranked as red, five as amber and three 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.
- 3.5 One of the red risks 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 Pension Fund is managed with a potential risk that the Fund is no longer able to effectively implement its investment strategy.
- 3.6 Pension Fund solvency also remains a red risk, despite the funding level of 104%, due to the unpredictable and volatile nature of global financial markets on which both investment returns and certain market based 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.

**3.0 RECENT EVENTS**

- 3.1 The latest version of the risk register (attached as **Appendix 1 & 2**) was taken to PFC on 6 July 2017 where it was approved.
- 3.2 At the last meeting of the Pension Board it was suggested by officers that the Pension Board could focus on one key risk in detail at each review rather than reviewing all risks. Board members may wish to discuss this and determine an agreed approach to reviewing risks going forward.

**4.0 RECOMMENDATION**

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

4.2 Pension Board members to decide how they would like to review the Pension Fund risks in the future.

# Pension Fund

Risk Register: **June 2017 Review – summary**  
 Next Review Due: **December 2017**  
 Report Date: **22<sup>nd</sup> June 2017 (cpc)**

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		
◀▶	<b>44/4 - Pension Fund Solvency</b>	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	3	31/12/2017	M	M	H	L	M	2	Y	CSD SR Senior Accountant Pensions CSD SR Pensions Manager
◀▶	<b>44/201 - LGPS Pooling Transition</b>	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	8	31/12/2017	M	M	H	L	M	2	N	CD SR
◀▶	<b>44/8 - Investment Strategy</b>	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	31/07/2017	L	M	H	L	M	3	Y	CSD SR Senior Accountant Pensions
◀▶	<b>44/20 - Fraud</b>	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 Senior Accountant Pensions	L	L	H	L	M	3	4	31/12/2017	L	L	H	L	M	3	Y	CSD SR Pensions Manager CSD SR Senior Accountant Pensions
▲	<b>44/16 - Key Personnel</b>	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 Pensions Manager	M	M	L	M	L	4	4	31/12/2017	M	M	L	M	L	4	Y	CSD SR Senior Accountant Pensions CSD SR Pensions Manager
◀▶	<b>44/10 - LGPS Regulations and Employer Related Legislation</b>	LGPS Regulations and Employer Related Legislation not interpreted and implemented correctly resulting in legal challenge	CD SR	CSD SR Pensions Manager	M	L	L	L	M	4	2	31/12/2017	M	L	L	L	L	5	Y	CSD SR Senior Accountant Pensions CSD SR Pensions Manager
◀▶	<b>44/11 - Benefit Payments</b>	Incorrect/late benefits and payments to members resulting in criticism, customer dissatisfaction, under/over payments	CD SR	CSD SR Pensions Manager	M	L	L	L	M	4	2	31/12/2017	L	L	L	L	M	5	Y	CSD SR Pensions Manager



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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
◀▶	<b>44/7 - Investment Manager</b>	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	31/12/2017	L	M	M	L	L	5	Y	CSD SR Senior Accountant Pensions
◀▶	<b>44/14 - IT Systems</b>	Failure of IT Pension system or other IT systems for more than 2 days (or a critical time) resulting in backlog, incorrect payments, increased overtime, criticism	CD SR	CSD SR Pensions Manager	L	M	L	M	M	5	2	31/12/2017	L	M	L	M	M	5	Y	CSD SR Pensions Manager

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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<b>Likelihood</b>	
Probability	H = > 60% or Probable M = 30% to 60% or Possible L = < 30% or Unlikely
<b>Impact</b>	
Objectives	H = Over 6 priorities adversely impacted M = 3-6 priorities adversely impacted L = Below 3 priorities 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

# Pension Fund

# Appendix 2

Risk Register: **June 2017 Review – detailed**  
 Next Review Due: **December 2017**  
 Report Date: **22<sup>nd</sup> June 2017 (cpc)**

Phase 1 - Identification											
<b>Risk Number</b>	44/4	<b>Risk Title</b>	44/4 - Pension Fund Solvency				<b>Risk Owner</b>	CD SR		<b>Manager</b>	CSD SR Senior Accountant Pensions
<b>Description</b>	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					<b>Risk Group</b>	Financial		<b>Risk Type</b>		
Phase 2 - Current Assessment											
<b>Current Control Measures</b>			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;								
<b>Probability</b>	M	<b>Objectives</b>	M	<b>Financial</b>	H	<b>Services</b>	L	<b>Reputation</b>	M	<b>Category</b>	2
Phase 3 - Risk Reduction Actions											
							<b>Action Manager</b>	<b>Action by</b>	<b>Completed</b>	<b>%</b>	
<b>Reduction</b>	44/6 - Consultation with Actuary re assumptions used and discuss and carry out action plan (ongoing)						CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%	
<b>Reduction</b>	44/7 - Regular review of investment strategy to maximise investments; ongoing action linked to triennial valuations, strategy session to be held in July						CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%	
<b>Reduction</b>	44/8 - Discussion with employers re cost of the scheme and potential 'one off' contributions; employers have been provided with their new rates for the following three financial years and any queries resolved						CSD SR Pensions Manager CSD SR Senior Accountant Pensions	Fri-31-Mar-17	Fri-31-Mar-17	100%	
Phase 4 - Post Risk Reduction Assessment											
<b>Probability</b>	M	<b>Objectives</b>	M	<b>Financial</b>	H	<b>Services</b>	L	<b>Reputation</b>	M	<b>Category</b>	2
Phase 5 - Fallback Plan											
<b>Fallback Plan</b>	44/428 - Increased contribution rate from employers and/or extend recovery period							<b>Action Manager</b>			
							CSD SR Senior Accountant Pensions CSD SR Pensions Manager				



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Phase 1 - Identification											
<b>Risk Number</b>	44/201	<b>Risk Title</b>	44/201 - LGPS Pooling Transition				<b>Risk Owner</b>	CD SR		<b>Manager</b>	CSD SR Senior Accountant Pensions
<b>Description</b>	Failure to transition effectively to new pooling arrangements resulting in poorer value for money; lower investment returns; and inability to effectively execute investment strategy.					<b>Risk Group</b>		<b>Risk Type</b>	CSD SR 32/24		
Phase 2 - Current Assessment											
<b>Current Control Measures</b>			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; pool legal advice; key decision agreed by full council; pooling briefing provided to members;								
<b>Probability</b>	M	<b>Objectives</b>	M	<b>Financial</b>	H	<b>Services</b>	L	<b>Reputation</b>	H	<b>Category</b>	2
Phase 3 - Risk Reduction Actions											
							<b>Action Manager</b>	<b>Action by</b>	<b>Completed</b>	<b>%</b>	
<b>Reduction</b>	44/161 - Consultation with advisors on the implication of pooling; legal advice coming through at fund and pool levels;						CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%	
<b>Reduction</b>	44/162 - Gain advice from advisors and other consultants on responding to the Government consultation; response provided now moved into advice on setting up the pooling						CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%	
<b>Reduction</b>	44/163 - Keeping Members up to date, particularly new members following May 17 elections; on PFC agenda every quarter with update						CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%	
<b>Reduction</b>	44/164 - Take key decisions for action to next Full Council						CSD SR Senior Accountant Pensions	Wed-15-Feb-17	Wed-15-Feb-17	100%	
<b>Reduction</b>	44/165 - Provide Pooling briefing at January Members seminar						CSD SR Senior Accountant Pensions	Tue-31-Jan-17	Tue-31-Jan-17	100%	
<b>Reduction</b>	44/166 - Ensure Pension Board and employers are kept up to date on progress						CSD SR Senior Accountant Pensions	Sat-30-Jun-18		0%	
<b>Reduction</b>	44/167 - Ensure that PFC continue to be involved in key pooling decisions and informed of transition progress as we move towards June 2018						CSD SR Senior Accountant Pensions	Sat-30-Jun-18		0%	
<b>Reduction</b>	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						CSD SR Senior Accountant Pensions	Sat-30-Jun-18		0%	
Phase 4 - Post Risk Reduction Assessment											
<b>Probability</b>	M	<b>Objectives</b>	M	<b>Financial</b>	H	<b>Services</b>	L	<b>Reputation</b>	M	<b>Category</b>	2
Phase 5 - Fallback Plan											
<b>Fallback Plan</b>									<b>Action Manager</b>		



# Pension Fund

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Phase 1 - Identification												
<b>Risk Number</b>	44/8	<b>Risk Title</b>	44/8 - Investment Strategy				<b>Risk Owner</b>	CD SR		<b>Manager</b>	CSD SR Senior Accountant Pensions	
<b>Description</b>	Failure of the investment strategy to achieve sufficient returns from investments				<b>Risk Group</b>	Strategic		<b>Risk Type</b>				
Phase 2 - Current Assessment												
<b>Current Control Measures</b>			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;									
<b>Probability</b>	L	<b>Objectives</b>	M	<b>Financial</b>	H	<b>Services</b>	L	<b>Reputation</b>	M	<b>Category</b>	3	
Phase 3 - Risk Reduction Actions												
							<b>Action Manager</b>	<b>Action by</b>	<b>Completed</b>	<b>%</b>		
<b>Reduction</b>	44/1876 - Continual review of the investment strategy and implement the recommendations, including consideration of pooling arrangements						CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%		
<b>Reduction</b>	44/1878 - Monitor appropriateness of strategy against prevailing market conditions (including Brexit); Strategy session to be held in July 2017 with PFC members and our consultants to consider future options and potential changes to the strategy						CSD SR Senior Accountant Pensions	Mon-31-Jul-17		0%		
<b>Reduction</b>	44/1879 - Monitor the Advisor and Consultants reports and act on professional advice						CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%		
<b>Reduction</b>	44/1895 - Continue to monitor the impact of MiFID II and ensure we are ready for January 2018 implementation, likely to involve discussions with fund managers and an "opt up", more will be known following release of paper in July 2017						CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%		
Phase 4 - Post Risk Reduction Assessment												
<b>Probability</b>	L	<b>Objectives</b>	M	<b>Financial</b>	H	<b>Services</b>	L	<b>Reputation</b>	M	<b>Category</b>	3	
Phase 5 - Fallback Plan												
										<b>Action Manager</b>		
<b>Fallback Plan</b>	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											
<b>Risk Number</b>	44/20	<b>Risk Title</b>	44/20 - Fraud				<b>Risk Owner</b>	CD SR	<b>Manager</b>	CSD SR Senior Accountant Pensions	
<b>Description</b>	Internal and/or external fraud as a result of inappropriate pension administration, investment activity and cash reconciliation results in financial loss, loss of reputation					<b>Risk Group</b>	Pers/Capacity	<b>Risk Type</b>			
Phase 2 - Current Assessment											
<b>Current Control Measures</b>			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								
<b>Probability</b>	L	<b>Objectives</b>	L	<b>Financial</b>	H	<b>Services</b>	L	<b>Reputation</b>	M	<b>Category</b>	3
Phase 3 - Risk Reduction Actions											
							<b>Action Manager</b>	<b>Action by</b>	<b>Completed</b>	<b>%</b>	
<b>Reduction</b>	44/1887 - Continually review processes and procedures including authorisation levels						CSD SR Pensions Manager CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%	
<b>Reduction</b>	44/1888 - Ongoing internal audit assessment and annual review by external auditors						CSD SR Pensions Manager CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%	
<b>Reduction</b>	44/1890 - Annual independent external audit of pension fund (separate from County Council) and carry out appropriate recommendations						CSD SR Pensions Manager CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%	
<b>Reduction</b>	44/1894 - Review of external manager audit and risk reports; reports are also viewed by internal audit						CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%	
Phase 4 - Post Risk Reduction Assessment											
<b>Probability</b>	L	<b>Objectives</b>	L	<b>Financial</b>	H	<b>Services</b>	L	<b>Reputation</b>	M	<b>Category</b>	3
Phase 5 - Fallback Plan											
<b>Fallback Plan</b>	44/434 - Review incident and update procedures/processes accordingly							<b>Action Manager</b> CSD SR Pensions Manager CSD SR Senior Accountant Pensions			



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Phase 1 - Identification											
<b>Risk Number</b>	44/16	<b>Risk Title</b>	44/16 - Key Personnel				<b>Risk Owner</b>	CD SR	<b>Manager</b>	CSD SR Pensions Manager	
<b>Description</b>	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.					<b>Risk Group</b>	Capacity/performance	<b>Risk Type</b>			
Phase 2 - Current Assessment											
<b>Current Control Measures</b>			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;								
<b>Probability</b>	M	<b>Objectives</b>	M	<b>Financial</b>	L	<b>Services</b>	M	<b>Reputation</b>	L	<b>Category</b>	4
Phase 3 - Risk Reduction Actions											
						<b>Action Manager</b>	<b>Action by</b>	<b>Completed</b>	<b>%</b>		
<b>Reduction</b>	44/1901 - Ensure effective management and transition arrangements are in place pending any review of management structure					CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%		
<b>Reduction</b>	44/1905 - Continue to build resilience to meet current and anticipated future, demands and complexity					CSD SR Pensions Manager CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%		
<b>Reduction</b>	44/1907 - Carry out appropriate induction and ongoing training for new PFC members					CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%		
<b>Reduction</b>	44/1908 - Ensure inclusion of key personnel with relevant external advisers or feedback from such meetings/telephone calls (on going)					CSD SR Pensions Manager CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%		
Phase 4 - Post Risk Reduction Assessment											
<b>Probability</b>	M	<b>Objectives</b>	M	<b>Financial</b>	L	<b>Services</b>	M	<b>Reputation</b>	L	<b>Category</b>	4
Phase 5 - Fallback Plan											
									<b>Action Manager</b>		
<b>Fallback Plan</b>	44/441 - Identify temporary cover arrangements plus additional resources where required							CSD SR Senior Accountant Pensions CSD SR Pensions Manager			



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Phase 1 - Identification											
<b>Risk Number</b>	44/10	<b>Risk Title</b>	44/10 - LGPS Regulations and Employer Related Legislation				<b>Risk Owner</b>	CD SR		<b>Manager</b>	CSD SR Pensions Manager
<b>Description</b>	LGPS Regulations and Employer Related Legislation not interpreted and implemented correctly resulting in legal challenge					<b>Risk Group</b>	Performance		<b>Risk Type</b>	Int Fin 30/189	
Phase 2 - Current Assessment											
<b>Current Control Measures</b>		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									
<b>Probability</b>	M	<b>Objectives</b>	L	<b>Financial</b>	L	<b>Services</b>	L	<b>Reputation</b>	M	<b>Category</b>	4
Phase 3 - Risk Reduction Actions											
							<b>Action Manager</b>	<b>Action by</b>	<b>Completed</b>	<b>%</b>	
<b>Reduction</b>	44/157 - Ongoing staff training programme						CSD SR Pensions Manager	Sun-31-Dec-17		0%	
<b>Reduction</b>	44/1895 - Continue to monitor the impact of MiFID II and ensure we are ready for January 2018 implementation, likely to involve discussions with fund managers and an "opt up", more will be known following release of paper in June 2018						CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%	
Phase 4 - Post Risk Reduction Assessment											
<b>Probability</b>	M	<b>Objectives</b>	L	<b>Financial</b>	L	<b>Services</b>	L	<b>Reputation</b>	L	<b>Category</b>	5
Phase 5 - Fallback Plan											
							<b>Action Manager</b>				
<b>Fallback Plan</b>	44/437 - Review existing interpretations, take legal advice and amend procedures as required						CSD SR Senior Accountant Pensions CSD SR Pensions Manager				



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<b>Risk Number</b>	44/11	<b>Risk Title</b>	44/11 - Benefit Payments				<b>Risk Owner</b>	CD SR		<b>Manager</b>	CSD SR Pensions Manager
<b>Description</b>	Incorrect/late benefits and payments to members resulting in criticism, customer dissatisfaction, under/over payments					<b>Risk Group</b>	Performance		<b>Risk Type</b>		
Phase 2 - Current Assessment											
<b>Current Control Measures</b>			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								
<b>Probability</b>	M	<b>Objectives</b>	L	<b>Financial</b>	L	<b>Services</b>	L	<b>Reputation</b>	M	<b>Category</b>	4
Phase 3 - Risk Reduction Actions											
							<b>Action Manager</b>	<b>Action by</b>	<b>Completed</b>	<b>%</b>	
<b>Reduction</b>	44/1893 - Effective communication with employers, with particular regard to customer expectations						CSD SR Pensions Manager	Sun-31-Dec-17		0%	
<b>Reduction</b>	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 Pensions Manager	Sun-31-Dec-17		0%	
Phase 4 - Post Risk Reduction Assessment											
<b>Probability</b>	L	<b>Objectives</b>	L	<b>Financial</b>	L	<b>Services</b>	L	<b>Reputation</b>	M	<b>Category</b>	5
Phase 5 - Fallback Plan											
										<b>Action Manager</b>	
<b>Fallback Plan</b>	44/435 - Correct errors and review and amend existing procedures									CSD SR Pensions Manager	



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Phase 1 - Identification											
<b>Risk Number</b>	44/7	<b>Risk Title</b>	44/7 - Investment Manager				<b>Risk Owner</b>	CD SR		<b>Manager</b>	CSD SR Senior Accountant Pensions
<b>Description</b>	Failure of a pension fund investment manager to meet adequate performance levels resulting in reduced financial returns, re-tendering exercise					<b>Risk Group</b>	Performance		<b>Risk Type</b>		
Phase 2 - Current Assessment											
<b>Current Control Measures</b>			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;								
<b>Probability</b>	L	<b>Objectives</b>	M	<b>Financial</b>	M	<b>Services</b>	L	<b>Reputation</b>	L	<b>Category</b>	5
Phase 3 - Risk Reduction Actions											
							<b>Action Manager</b>	<b>Action by</b>	<b>Completed</b>	<b>%</b>	
<b>Reduction</b>	44/1873 - Continue to monitor and report on investment returns on a regular basis						CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%	
<b>Reduction</b>	44/1874 - Continue to meet/report to PFC by Fund Managers and assess critical analysis by advisers						CSD SR Senior Accountant Pensions	Sun-31-Dec-17		0%	
<b>Reduction</b>	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	Sun-31-Dec-17		0%	
Phase 4 - Post Risk Reduction Assessment											
<b>Probability</b>	L	<b>Objectives</b>	M	<b>Financial</b>	M	<b>Services</b>	L	<b>Reputation</b>	L	<b>Category</b>	5
Phase 5 - Fallback Plan											
										<b>Action Manager</b>	
<b>Fallback Plan</b>	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: **June 2017 Review – detailed**  
 Next Review Due: **December 2017**  
 Report Date: **22<sup>nd</sup> June 2017 (cpc)**

Phase 1 - Identification											
<b>Risk Number</b>	44/14	<b>Risk Title</b>	44/14 - IT Systems				<b>Risk Owner</b>	CD SR		<b>Manager</b>	CSD SR Pensions Manager
<b>Description</b>	Failure of IT Pension system or other IT systems for more than 2 days (or a critical time) resulting in backlog, incorrect payments, increased overtime, criticism					<b>Risk Group</b>	Technological		<b>Risk Type</b>		
Phase 2 - Current Assessment											
<b>Current Control Measures</b>			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,								
<b>Probability</b>	L	<b>Objectives</b>	M	<b>Financial</b>	L	<b>Services</b>	M	<b>Reputation</b>	M	<b>Category</b>	5
Phase 3 - Risk Reduction Actions											
							<b>Action Manager</b>	<b>Action by</b>	<b>Completed</b>	<b>%</b>	
<b>Reduction</b>	44/1884 - Regular review of contingency planning arrangements						CSD SR Pensions Manager	Sun-31-Dec-17		0%	
<b>Reduction</b>	44/1898 - Sense check any IT recovery assumptions with Tech & Change run systems						CSD SR Pensions Manager	Sun-31-Dec-17		0%	
Phase 4 - Post Risk Reduction Assessment											
<b>Probability</b>	L	<b>Objectives</b>	M	<b>Financial</b>	L	<b>Services</b>	M	<b>Reputation</b>	M	<b>Category</b>	5
Phase 5 - Fallback Plan											
										<b>Action Manager</b>	
<b>Fallback Plan</b>	44/433 - Recourse to manual calculations and payments, Liaise with software provider to restore system, find alternative supplier									CSD SR Pensions Manager	

