

# Report of the Managing Director, West Yorkshire Pension Fund to the meeting of Local Pension Board to be held on 20 March 2024.

AH

---

## Subject:

Risk Register

## Summary statement:

This report presents West Yorkshire Pension Fund's Risk Policy and Strategy which is subject to annual review.

The two risks which are currently rated 'red' are:

- Risk 41 – Recruitment and retention of experienced staff, and
- Risk 49 – Provision of IT services and equipment from CBMDC

## EQUALITY & DIVERSITY:

No specific equality and diversity issues.

---

Euan Miller  
Managing Director

**Portfolio:**

Report Contact: Yunus Gajra  
Assistant Director (Finance,  
Administration and Governance)  
Phone: (01274) 432343  
E-mail: [Yunus.gajra@wypf.org.uk](mailto:Yunus.gajra@wypf.org.uk)

**Overview & Scrutiny Area:**

## 1. SUMMARY

This report presents West Yorkshire Pension Fund's Risk Policy and Strategy which is subject to annual review.

The two risks which are currently rated 'red' are:

- Risk 41 – Recruitment and retention of experienced staff, and
- Risk 49 – Provision of IT services and equipment from CBMDC

## 2. Introduction

2.1 This document sets out West Yorkshire Pension Fund's Risk Management Policy, Strategy and risk appetite, describing the approach to risk which WYPF adopts.

2.2 The purpose of the Policy and Strategy is to effectively mitigate risks which may otherwise impact on achieving the Fund's objectives, by the development and maintenance of a comprehensive risk register. This assists the Fund in ensuring that risks which may impact on the achievement of objectives are effectively managed.

## 3. Background

3.1 Risk can be defined as the combination of the likelihood of an event occurring, and the level of impact on the Pension Fund's ability to achieve its objectives if it does occur. Pension funds exist in order to pay future pension benefits. The principal types of investment risk facing WYPF can be summarised as:

- Governance
- Regulatory
- Investment Strategy
- Responsible Investment
- People

## 4. Risk Policy

4.1 Risk should be eliminated, reduced, or controlled as far as possible. To achieve this WYPF will ensure that risk management is integral to the governance and management of the investments at both strategic and operational levels. The aim is to integrate risk awareness and management into both the processes and the culture to help ensure that the Fund's investment objectives are met. This policy will be subject to annual review.

## 5. Risk Management Strategy

5.1 The WYPF's principal investment risk management objectives are to:

- Establish and maintain a robust framework and procedures for identification, analysis, assessment and management of risk
- Ensure consistent application of the risk management methodology
- Minimise the cost of risk.

- 5.2 How this is achieved will vary depending on the type of risk and the activity involved. In relation to governance and operational risk, the objective is to eliminate risk as far as possible, whereas for investments it is to balance risk and return in the context of the pension fund investment policies.
- 5.3 The risk management process is a continuous cycle of identifying, analysing, controlling and monitoring, as set out in Appendix A, to ensure the report is up to-date and relevant.

**6. Risk Assessment**

- 6.1 Thirty two of the risks are above their acceptable tolerance level and therefore require Management Action Plans (MAPs) which frame the risk management actions that are required. They map out the target for each risk i.e. to reduce the likelihood, impact or both. They also include targets and critical success factors to allow the risk management action to be monitored.
- 6.2 The risk assessment identified that significant levels of activity are required to manage the risks. Many of the key risks require immediate attention and it is important that having identified risks that could have critical impact, that the required action is undertaken.
- 6.3 The risk register contained with the Risk Management Policy and Strategy sets out a number of risks which have been identified in relation to WYPF.

The structure of the attached report is as follows:

2.2.1 Categorisation of Risks	Pages 4 to 11
2.2.2 The most important risks requiring continuing scrutiny	Pages 12 to 34
2.2.3 The future review and revision of risks	Page 35
2.2.3 The full list of identified active risks (inc. risks in 2.2.2 above)	Pages 36 to 51

- 6.3 A matrix summarising where the risks lie is on page 11 of Appendix A.

**7. OTHER CONSIDERATIONS**

None

**8. FINANCIAL & RESOURCE APPRAISAL**

None

## **9. RISK MANAGEMENT AND GOVERNANCE ISSUES**

Risks are outlined within the Risk Register.

## **10. LEGAL APPRAISAL**

None

## **11. OTHER IMPLICATIONS**

### **11.1 SUSTAINABILITY IMPLICATIONS**

None

### **11.2 TACKLING THE CLIMATE EMERGENCY IMPLICATIONS**

None

### **11.3 COMMUNITY SAFETY IMPLICATIONS**

None

### **11.4 HUMAN RIGHTS ACT**

None

### **11.5 TRADE UNION**

None

### **11.6 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT**

None

## **12. NOT FOR PUBLICATION DOCUMENTS**

None

## **13. OPTIONS**

None

## **14. RECOMMENDATIONS**

That the Risk Register is noted.

## **15. APPENDICES**

Appendix A – Risk Register

## **16. BACKGROUND DOCUMENTS**

None