

Date: 07 March 2018

To: MEMBERS OF THE SOUTH YORKSHIRE
LOCAL PENSION BOARD



**SOUTH YORKSHIRE
LOCAL PENSION BOARD**

18 Regent Street
Barnsley
South Yorkshire
S70 2HG

www.southyorks.gov.uk

This matter is being dealt with by: Gill Richards

Direct Line: 01226 772806

Email: grichards@syjs.gov.uk

Dear Member

SOUTH YORKSHIRE LOCAL PENSION BOARD
Thursday 15 March 2018

A meeting of the South Yorkshire Local Pension Board will be held at 12.00 pm on Thursday 15th March, 2018 in the Boardroom, Town Hall, Barnsley, S70 2TA.

Car parking will be available at the rear of the building.

The agenda is attached.

Yours sincerely

D Terris
Clerk

Encs

Distribution: Glyn Boyington (Chair), Geoff Berrett, Nicola Doolan, Nicola Gregory, Cllr Phillip Lofts, Kevin Morgan, Susan Ross, Nicola Simpson Jill Thompson (Vice-Chair) and Garry Warwick.

Terms of Reference

1. Administration

- 1.1 Monitor and review the performance of Scheme administration including suggesting any changes to the Pensions Administration Strategy.
- 1.2 Monitor, review and report on the receipt of contributions.
- 1.3 Monitor investment manager reports.
- 1.4 Review the format, timing and source of management information presented to the Board.

2. Auditors

- 2.1 Monitor and review the appointment and performance of the auditors.
- 2.2 Monitor and review the Annual Report and accounts.
- 2.3 Review the recommendations produced by audit and give consideration to what action should be taken and make recommendations to the Scheme Manager as appropriate.
- 2.4 Monitor and Review the Work Programmes for the Pensions Authority and its Boards and the South Yorkshire Passenger Transport Pension Fund Committee.

3. Internal Controls and Risk Register

- 3.1 Monitor and review the Authority's Risk Register.
- 3.2 Monitor internal controls and procedures of the Pensions Authority.

4. Communications

- 4.1 Monitor and make recommendations as appropriate on:-
 - The information available on the SYPA internet site
 - The information provided to Scheme members on leaving, retirement etc.
- 4.2 Produce an Annual Report upon its activities to be submitted to the Pensions Authority.
- 4.3 Produce reports and make recommendations to the Pensions Authority that relate to the work of the LPB. Any reports must be provided at least ten working days in advance of the next Pensions Authority meeting.

5. Budgets

- 5.1 Agree a yearly budget for the operation of the Local Pension Board and submit to the Authority for approval.
- 5.2 Monitor the level of fees against the annual budget set for the Pensions Board.

SOUTH YORKSHIRE LOCAL PENSION BOARD

THURSDAY 15 MARCH 2018 AT 12.00 PM IN THE BOARDROOM, TOWN HALL,
BARNSELY, S70 2TA

AGENDA

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SOUTH YORKSHIRE PENSIONS AUTHORITY

JOINT LOCAL PENSION BOARD

18 JANUARY 2018

PRESENT: G Boyington (Scheme Member) (Chair)

G Berrett (Employer, SYP), N Gregory (Academy Representative), N Doolan-Hamer (Unison), P Lofts (Employer BMBC), K Morgan (Unite), S Ross (Scheme Member) and J Thompson (Employer, Action Housing)

Officers: G Chapman (Head of Pensions Administration), M McCarthy (Deputy Clerk) and M McCoolle (Senior Democratic Services Officer)

Apologies for absence were received from N Simpson, A Frosdick and G Richards

1 WELCOME AND APOLOGIES

G Boyington welcomed N Gregory to her inaugural meeting of the Board, and introductions were made.

2 DECLARATIONS OF INTEREST

None.

3 ANNOUNCEMENTS

George Graham had recently been appointed as the substantive Fund Director, with effect from 12 February 2018. Interviews for the appointment of Head of Pensions Administration would be held on 29 January 2018.

The Joint Authorities Governance Unit (JAGU) would relocate from 18 Regent Street, into Barnsley Town Hall on 23 January 2018. It was envisaged that future Board meetings and all Joint Authority meetings would be hosted at Barnsley Town Hall; Members would be provided with parking permits in advance of the meetings. M McCarthy assured Members that the relocation would not impact upon the meeting experience.

R Winter had been appointed as the Authority's Data Protection Officer, and he would attend future Board meetings to provide support in relation to GDPR.

4 MINUTES OF THE MEETING HELD ON 5 OCTOBER 2017

Members noted that a risk matrix would be included onto the Risk Register.

M McCarthy reported that the Authority's insurance covered the Board with regard to public indemnity. He would provide Members with written confirmation and the principle of terms via email.

RESOLVED – That Members:-

- i) Noted that a risk matrix would be included onto the Risk Register.
- ii) Would be provided with written confirmation that the Authority's insurance covered the Board with regard to public indemnity, together with the principle of terms, via email.
- iii) Agreed that the minutes of the Board meeting held on 5 October 2017 be agreed as a correct record.

5 WORK PROGRAMME

The Board considered its Work Programme to October 2018.

RESOLVED – That:-

- i) Members noted that the Work Programme would be amended to indicate:-
 - i) The review of the Annual Report and Accounts to be considered before final approval.
 - ii) A learning and development report, to highlight the past and future training, to be presented to the Board meeting in March 2018.
- iii) Arrangements to be made to reschedule the July 2018 Board meeting to June 2018, to enable the earlier commencement of work on the Annual Governance Statement.
- iv) To ensure that R Winter, Data Protection Officer, was in attendance at the next Board meeting, following the significant changes made to GDPR.
- v) A report in relation to the Internal Audit Update to be presented to the Board meeting in March 2018.

6 BUDGET MONITORING

Members were presented with the Board's expenditure for quarter ending 31 December 2017.

RESOLVED – That Members noted the position.

7 REVIEW OF THE SCHEME'S ADMINISTRATION STRATEGY

The Board was presented with a report to consult on the review of the Pensions Administration Strategy. The proposed amendments had been accepted at the

Authority meeting held today, where Members had made a suggestion that any subsequent changes arising from the consultation should be presented to the Authority meeting in March 2018, before full sign off.

The main factor behind the review of the Strategy Document had been the need to introduce the concept of monthly posting and data file submissions, along with the administration requirements for the new process. Following a review of the document as a whole, a number of new items had been introduced and other items had been revised; financial penalties had been increased to further incentivise employers to meet the requirements of the Strategy.

Members noted that, as yet, no comments had been received following a six week consultation period on the revised Strategy with Employers, which had commenced on 1 January 2018 and had been launched at the Employers Forum and via EPIC.

RESOLVED – That Members were requested to provide G Chapman with any comments on the review of the Pensions Administration Strategy.

8 BREACH REPORTING

G Chapman informed Members of the intention that from April 2018 onwards, a breach reporting log would feature as a standard agenda item to future Board meetings, to enable Members to have full oversight of the information. A draft breach reporting log would be presented to the next Board meeting.

J Thompson requested that the Work Programme be amended to reflect that the breach reporting log would become a standard agenda item.

RESOLVED – That the Board:-

- i) Received the update.
- ii) Noted that a draft breach reporting log would be presented to the next Board meeting.
- iii) Noted that the Work Programme be amended to reflect that a breach reporting log would feature as a standard agenda item to future Board meetings from April 2018 onwards.

9 GDPR UPDATE

GDPR had been referenced at the Authority meeting held today, to assure Members that a comprehensive staff training exercise would be undertaken.

The Joint Authorities Governance Unit (JAGU) would liaise with the districts to arrange the training over the next 2 to 3 months, to incorporate the Board and Authority Members, in order to avoid duplication and additional costs; to be extended to other outside bodies if considered appropriate.

Members would be provided with the information ascertained through the research on practical law, which referred to the key lines of enquiries, issues to be aware of from a governance perspective and general guidance notes.

G Boyington suggested that a training session be held regarding the governance arrangements and the Board's responsibilities as principals rather than operatives.

S Ross highlighted the requirement for the Authority to ensure that the GDPR processes were compliant, before May 2018.

G Chapman referred to the major data mapping project that was underway; retention policies would start to be reviewed. A number of Authority staff were now GDPR compliant certified. A new secure email package had been purchased, links had been made with R Winter, the Data Protection Officer and the network had been tidied up completely.

G Chapman would continue to report to each Authority meeting prior to the launch. The spring Newsletter, which would be despatched in April 2018, would cover the privacy issues.

RESOLVED – That Members:-

- i) Noted that a training session would be arranged over the next 2 to 3 months to incorporate Board and Authority Members, and the districts, to be extended to other outside bodies if considered appropriate.
- ii) To be provided with the information ascertained through the research on practical law.

10 POOLING UPDATE

A report was submitted to update the Board on the progress of pooling in the Border to Coast Pension Partnership (BCPP Ltd) and related matters.

Members noted that a report had been presented to the Authority meeting held today, in order to provide an overview of the key areas relating to BCPP Ltd; the Board would continue to be provided with updates.

RESOLVED – That Members:-

- i) Noted the report.
- ii) Considered the additional budgetary requests referred to therein:
 - i) A one off increase of £75k requested for implementation set up costs, per partner Authority.
 - ii) An ongoing share of the £30k budget proposed for the Joint Committee amounting to £2,500 per partner Authority.

11 RISK REGISTER

The Board considered the Authority's Risk Register, noting that the scoring matrix and direction of travel arrows would be included.

RESOLVED – That Members:-

- i) Noted the Risk Register.
- ii) Noted that the Risk Register would be amended to include the scoring matrix and direction of travel arrows.

12 ANY OTHER BUSINESS

G Boyington highlighted that the March 2018 Board meeting would mark the conclusion of Members' third year in post.

Members had indicated a desire to continue in the role, with the exception of G Boyington. Contact would be made with the Trades Unions and the employers, to seek confirmation for the nominated representatives to continue on the Board, or to otherwise make nominations.

J Thompson and G Berrett requested that an email be sent to their respective employers to indicate that they were keen to continue in their role on the Board, if their employer deemed it appropriate.

RESOLVED – That Members noted that contact would be made with the Trades Unions and the employers, to seek confirmation for the nominated representatives to continue on the Board, or to otherwise make nominations.

CHAIR

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Agenda Item 5

South Yorkshire Local Pension Board Work Programme

Terms of Reference Area	Jan	March	June	Oct	Author
<u>Board Arrangements</u>					
Board Work Programme	x	x	x	x	GR
Cycle of Board Meetings		x			GR
Board's Annual Report			x		MM/GR
LPB Budget Monitoring	x	x	x	x	BC
Minutes of Previous Meeting/Matters Arising	x	x	x	x	GR
Annual Review of Constitution & ToR			x		MM/GR
Learning & Development					MM/GR
<u>Administration</u>					
Employers Performance			x		GC
Pensions Administration Performance			x		GC
Review of Administration Strategy	x		x		GC
Pooling Update	x	x	x	x	Various
Annual Governance Statement & Accounts			x		MM/GR
Authority and Board Work Programmes				x	FB
SYP Annual Fund Meeting		x		x	GC
Employers Forum Survey		x			GC
Review of Annual Report & Accounts			x		GR
Treasury Management					TBC
Budget Monitoring			x		TBC
GDPR Update	x	x			GC
Breach Reporting Log			x	x	GC
Complaints and Compliments				x	
<u>Auditors</u>					
Internal Audit Update (incl. recommendations)		x			RW
Internal Audit Annual Report			x		RW
External Audit Annual Governance Report			x		
External Audit Annual Audit Letter					
<u>Risk Management</u>					
Annual Review of Risk Management			x		AH
Risk Register	x	x	x	x	AH
<u>Communications</u>					
Information of the SYPA Website			x		GR
Information provided on retirement, leaving etc.			x		GR

Topical issues & requests from LPB members will be added where necessary.

Updated 06.03.18

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SOUTH YORKSHIRE LOCAL PENSION BOARD

15 March 2018

MEETINGS OF THE LOCAL PENSION BOARD IN 2018/19

1. **Purpose of the Report**

To consider the proposed schedule of Board Meetings during 2018/19.

2. **Recommendations**

Members are recommended to approve the cycle of meetings for 2018/19.

3. **Information**

3.1 Today's meeting of the Board is the last meeting in the 2017/18 schedule.

3.2 Attached as an Appendix to this report is a cycle of meetings for 12 months from June 2018.

3.3 **It should be noted that the July meeting of the Board has been rescheduled to June to enable consideration of the Annual Governance Statement prior to submission to the Corporate Planning and Governance Board.**

3.4 There is a provision to arrange additional meetings if and when required.

3.5 Meetings of the Authority and its Boards have been included for information.

Officer responsible:

Gill Richards Senior Democratic Services Officer
BMBC Joint Authorities Governance Unit
01226 772806 grichards@syjs.gov.uk

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SOUTH YORKSHIRE PENSIONS AUTHORITY MEETINGS 2018/19

Pensions Authority	Corporate Planning & Governance Board	Investment Board	Local Pension Board
	2018		
7 June (Annual)			7 June
	14 June		
		21 June	
	19 July		
		13 September	
4 October			4 October
	18 October		
22 November			
		13 December	
	2019		
17 January			17 January
	14 February		
		7 March	
14 March			14 March
6 June (Annual)			
	13 June		
		20 June	

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**SOUTH YORKSHIRE PENSIONS AUTHORITY
LOCAL PENSION BOARD EXPENDITURE TO Q/E 28/02/18**

Agenda Item 8

	ORIGINAL OUTTURN	REVISED OUTTURN	ACTUAL OUTTURN	2017-18 VARIANCE	Note
LOCAL PENSION BOARD					
Travel, Accommodation and Subsistence	3,500	2,500	513	1,987	1
Training	8,000	5,000	913	4,087	1
Professional Advice	3,500	2,500	1,018	1,482	2
	15,000	10,000	2,444	7,556	

1. Expenditure has been minimal against this budget as the Local Pension Board has only incurred travel expense claims, subsistence and training expenses at 28 February 2018

2. Professional Indemnity Insurance expenditure for LPB

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SOUTH YORKSHIRE LOCAL PENSION BOARD

15 MARCH 2018

Report of the Fund Director

POOLING UPDATE

1) Purpose of the report

To update members of the Board on progress towards the pooling of the Fund's assets within the Border to Coast pool.

2) Recommendation

a) That the Board note the progress being made towards BCPP becoming operational.

3) Background information and Analysis

3.1 This report provides a public summary of the progress being made in making BCPP operational. Papers being considered confidentially at the BCPP Joint Committee meeting which was held on 13th March are contained in a confidential appendix, elsewhere on the agenda.

Key Areas of Progress

3.2 Key decisions since the last meeting include the completion of shareholder resolutions, recommended by the Company's Board in relation to:

- The company's pension arrangements which the Authority considered at its last meeting, and
- The appointment of KPMG as the auditor for both the company and its investment structures. As this follows a procurement process it is essentially a routine matter.

3.3 The company continues to build up the team with staff moving into key roles such as Head of Finance and Head of Operations, while also putting in place key infrastructure such as operational bank accounts and accounting systems. As a result of this progress BCPP is now in a position to draw down the cash flow loan from the Authority which was agreed in principle some time ago and which is guaranteed by the shareholders.

3.4 As previously reported the company has secured a permanent office base very close to the main line station. While negotiation of the lease is ongoing design work and the work necessary to ensure the space is fitted out in line with the required timetable is in hand. It is expected that the Company will move in during May and in the meantime staff are operating from a temporary office nearby.

Investment Related Progress and Issues

- 3.5 Other key developments in terms of the Company's investment related activities include:
- The appointment of Northern Trust to provide a range of middle and back office services including, depositary, custodian and transfer agent. Essentially these functions provide the facility for BCPP to undertake transactions within the various fund structures that it is looking to create.
 - The selection of Bloomberg as the key investment operational IT platform.
 - Submission of the application for approval of the company by the FCA. This is a pre-requisite to being able to seek approval for the ACS and its various sub funds.
 - Completing the outline ACS prospectus.
- 3.6 These are all important practical steps towards BCPP being able to "run money" in line with the planned timetable. However, there is a significant amount of work remaining and there are key risks around the processes run by the FCA where delays outside BCPP's control could knock the programme off the critical path. Alongside these key practical steps BCPP have identified seven key pieces of strategic work which need to be undertaken prior to the scheduled June "go live".
- Agreeing the sub funds to be launched, and then completing all the various pieces of paperwork required in order to get them approved (see below).
 - Defining the Border to Coast investment process, which will require significant input from the three funds with existing in house teams, and a number of workshops have been arranged to support this process.
 - Governance for approving asset transitions (see below).
 - The approach to transition management.
 - The process for selecting external managers.
 - Design of reporting and the oversight process for BCPP.
 - The what, how and when of Alternatives capability. This is a particularly important piece of work for South Yorkshire as this is the area where any savings which the fund might accrue from this process are likely to occur.
- 3.7 Individually each of these are significant pieces of work which need to be undertaken alongside building the infrastructure of a new business. This places considerable pressure both on the team within BCPP and on the teams within the individual pension funds. As a result of this the BCPP team have been giving thought to how best to mitigate some of the risk that exists around the process for rolling out sub-funds with a view to reducing both overall workload and costs bearing in mind that the marginal cost of a sub fund is £75-£100k, and that Northern Trust can only launch up to 4 sub funds for BCPP each quarter.
- 3.8 These proposals, which in essence moves internally managed assets into the pool within a simplified series of sub funds more quickly were discussed by the Investment Board at its meeting on 8th March. The Board's views will be reported at the meeting. An initial discussion with the Fund's advisers indicated that while there was understanding for BCPP's proposals as a pragmatic approach there were a number of concerns:

- The fact that the reduced number of sub funds could become the final answer almost by default and consequently the need for a written commitment to the eventual launch of the full agreed menu of funds, subject to stakeholders agreeing prior to work on the fund launch commencing that the sub fund is still required.
- The danger that during the transition phase there will be a tendency to “hug” the benchmark and thus effectively generate passive performance at a period of increased costs. In South Yorkshire’s case this would give “less performance for more cost”.
- The difficulty within the arrangements proposed of maintaining the various portfolio tilts for example in the case of South Yorkshire to mid-cap in the UK and towards Asian emerging markets overseas. Arguably these are tactical calls, but equally it can be argued that these are strategic calls about the type of investment that is most likely in the medium to longer term to meet the growth objectives for which the Fund holds equities.

3.9 Fundamentally the issue here is about the fact that BCPP is proposing to move away from a position agreed with all funds of mirroring their initial asset allocation, although they do make the reasonable point that funds will be reviewing their allocations after the 2019 valuation which is during BCPP’s transition phase. This goes to a key debate in the evolution of pooling which has not been resolved, which is how to define strategic asset allocation.

3.10 Having established which assets will transition to which sub funds in what timescales BCPP will be in a position to produce a comprehensive prospectus for the Authorised Contractual Scheme (ACS) the legal fund structure in which the assets will be held. This document has to be approved by the FCA and is highly technical. Consequently BCPP have recommended that the Officer Operations Group rather than the Joint Committee approve the document. The Joint Committee’s view will be reported at the meeting.

3.11 A further aspect of the process of moving assets to the new pooled vehicles which needs to be defined is the due diligence process to be undertaken before each client fund authorises transfer of its assets. It is important for South Yorkshire and the other client funds that this is not a simple process of nodding things through simply because the same people will be running the money in the new world as in the old world, or because a commitment has already been made to BCPP. SYPA will want to be assured that:

- BCPP has investment guidelines for any sub fund in place which reflect the product we have agreed in principle to buy. For example our current equity mandates broadly target a return of benchmark plus 1% so if BCPP were looking to put our assets in a sub fund targeting benchmark plus 2% then that would be a significant change in risk profile. In addition to the pure investment guidelines material will need to be provided which sets out the likely tracking error, portfolio concentration and so on and any limits which BCPP intends to apply to these.
- BCPP has a robust investment process and appropriate means of monitoring adherence to that process.
- BCPP has robust arrangements for the custody of assets, the processing of trades in and out of any sub-fund and remitting any income due to the Fund.

- 3.12 All of this will require detailed review by SYPA. Given conflict of interest rules this work cannot be carried out by the transferring staff and will therefore have to be carried out by staff remaining with SYPA, who may need to call on the Independent Advisers for assistance. BCPP intend through early engagement with the client funds to be able to provide a standard set of information to all clients which reduces the burden of the due diligence process. While it is right that each fund has to carry out their own process having a common basis on which to do this should make this a less burdensome task. Given the timescale for this work and the timing of meetings it is recommended that subject to consultation with the advisers authority be delegated to the Fund Director in consultation with the Chair and Vice Chair to authorise the transfer of assets to the BCPP investment structures when they become operational.

Staffing Matters

- 3.13 A process of engaging with staff within the three internal investment teams has begun with a workshop designed to identify differences between the investment processes used by each team with a view to arriving at a common process which will meet the requirements of clients. Over the coming months staff within these teams will increasingly be drawn into “new world” activity, for example procurement exercises for service providers, such as a proxy voting service. This is an inevitable part of the process that is being undertaken and it is wholly in SYPA’s interest that members of the current team engage in such activity in order that our views and requirements are properly addressed.
- 3.14 Now the Company has agreed its terms and conditions detailed work on the TUPE process can begin with the exchange of information on current terms and conditions and the design by the Company of “measures” to address any items where there is a mismatch that cannot be accommodated.
- 3.15 Following agreement of the Company’s pension arrangements and the approval of BCPP as eligible for admission to the South Yorkshire Fund by the Secretary of State the Authority will need to complete the guarantees to the Fund in relation to BCPP’s participation and to the Company protecting BCPP’s regulatory capital from any pension deficit.

Non-Executive Directors

- 3.16 The Joint Committee was asked to agree the appointment of two additional Non-Executive Directors to be elected by the Joint Committee at its next meeting using the exhaustive ballot process. These roles will be remunerated by the Company at £10-15k per annum. Members should note that there are a range of conflict of interest issues which might limit their involvement in some facets of the authority’s business (for example the Investment Board) should they wish to consider putting themselves forward for these roles.

Tax Strategy

- 3.17 Following approval by the Company’s Board and the Joint Committee the Tax Strategy will be published on the Company’s website. This sets out, as a matter of good governance, BCPP’s overall approach to taxation, which is broadly to pay the right amount, at the right time, in the right place. The strategy does, however, recognise the potential for Corporation Tax in particular to represent a “drag” on the shareholder pension funds and therefore identifies the need to engage with HMRC and government around this unintended consequence of pooling, although as there will be tax losses in the early years of operation this is not immediately urgent.

4) Implications

4.1 Financial

The proposals being made by BCPP could result in a reduction in the costs incurred in setting up the various sub fund structures and the level of costs to be recovered through fees going forward. However, given SYPA's low cost starting point this simply reduces the scale of the cost increase the Authority faces in this area.

At this stage it is anticipated that the set up costs will be within the resources previously agreed by the participating funds.

4.2 Legal

There are no legal implications.

4.3 Diversity

There are no diversity implications.

4.4 Risk

This Board is the formal decision-making body for investment issues relating to the Fund. It has the responsibility to ensure that the Fund maintains an investment strategy that obtains the best financial return, commensurate with appropriate levels of risk, to ensure the Fund can meet both its immediate and long term liabilities.

George Graham
Fund Director

Contact telephone: 01226 772887

Background papers used in the preparation of this report are available for inspection at the offices of the Authority in Barnsley

Other sources and references: BCPP

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SOUTH YORKSHIRE LOCAL PENSION BOARD

15 March 2018

Consultation Programme – Annual Fund Meeting Survey

1. Purpose of the Report

To inform Members of the results of the survey carried out amongst the scheme members with a view to testing customer satisfaction as a result of attending the Annual Fund Meeting (AFM).

2. Recommendations

Members are recommended to note the analysis attached at Appendix 1 with a view to commenting on any future service delivery changes they wish to see.

3. Information

- 3.1 As part of the Authority's Consultation Strategy we are committed to carrying out member satisfaction surveys after the attendance at the authority's Annual Fund Meeting.
- 3.2 The survey was designed to gauge perceptions of the service provided by SYPA in terms of venue, travel arrangements, directions, speakers, subjects and the helpfulness of staff.
- 3.3 All delegates at the AFM were issued with a survey. Delegates were invited to give feedback on any aspect of the meeting in order for SYPA to improve on future AFM's.
- 3.4 53 out of 77 delegates returned a completed survey.
- 3.5 The analysis of these replies was carried out by the Communications and Training Team who will take on board all comments when organising future AFM's.
- 3.6 The overall "score" for the various service elements was:-

Service Element	Excellent	Good	Satisfactory	Poor
Start time	62.26%	28.30%	7.55%	1.89%
Venue	54.72%	37.74%	5.65%	1.89%
Travel arrangements	54.55%	36.36%	9.09%	0.00%

Directions	52.38%	38.10%	9.52%	0.00%
Helpfulness of SYPA staff	75.47%	18.87%	5.66%	0.00%
Navigation around venue	54.72%	35.85%	9.43%	0.00%
Hand-out/booklet	49.06%	49.06%	1.88%	0.00%
Speakers and Presentations	56.60%	39.00%	4.40%	0.00%

Of the 53 members who completed the survey and who had attended the AFM before, 16 said it was better and 33 said it was about the same.

The 1.89% poor rating for the start time represents one member who would prefer the meeting to start at 3.30pm because of his train times home.

The 1.89% poor rating for the venue again represents one member, however they didn't give their reason for this rating.

- 3.7 Appendix 1 gives the detailed analysis of the responses, and also provides individual comments received as feedback.

4. Future Performance Targets

- 4.1 Members will be aware that we publish and report on our casework performance standards. Therefore in every survey we issue, members are asked to give us a rating based on the overall satisfaction level of SYPA. The results are shown overleaf:

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
77.36%	22.64%	0.0%	0.0%

These results will be added to the results of the same question asked in other surveys to form the basis of our overall performance.

Joanne Webster
Communications Manager
 Phone 01226 772915
 E-mail jwebster@sypa.org.uk

Annual Fund Meeting Survey 2017

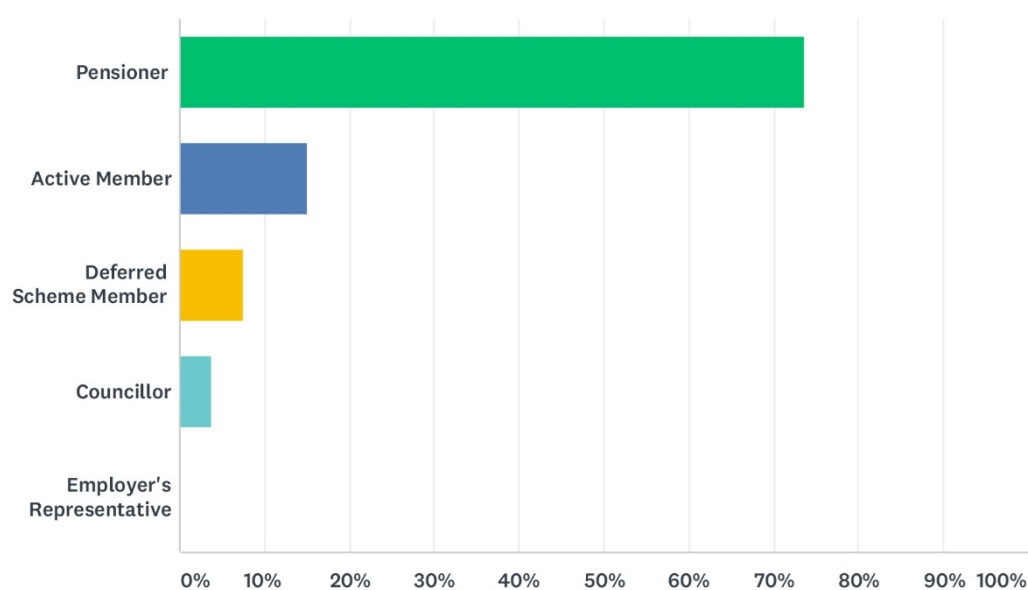


SOUTH YORKSHIRE
PENSIONS AUTHORITY

19th October. The Source Skills Academy, Meadowhall, Sheffield.

Q1 Did you attend as a:

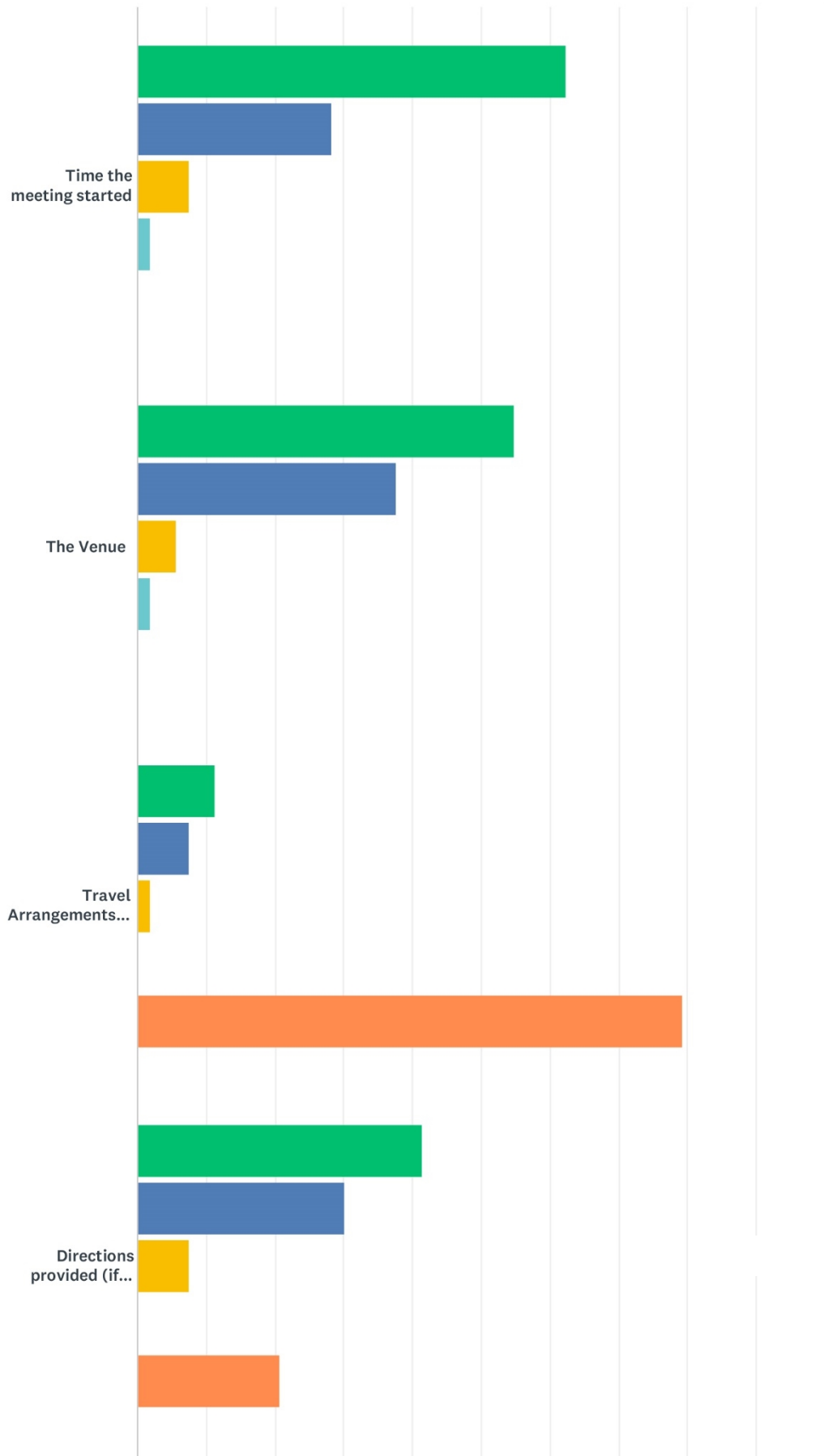
Answered: 53 Skipped: 0



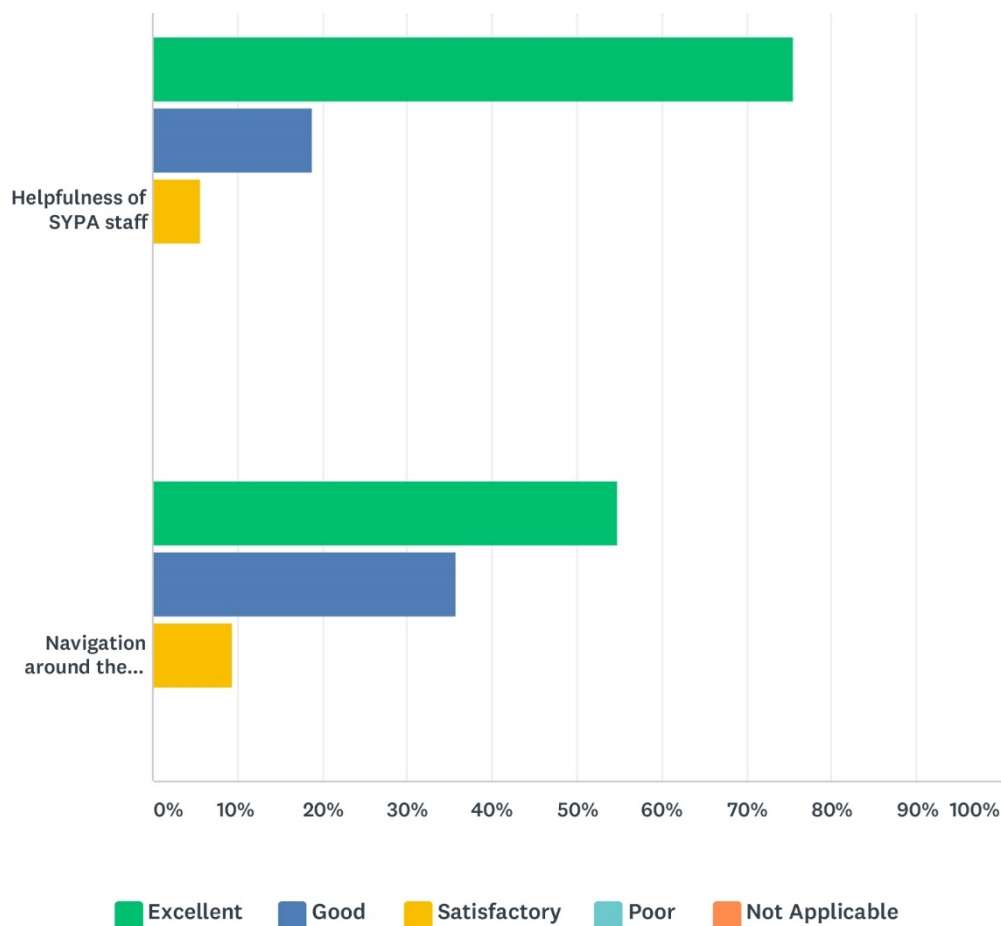
ANSWER CHOICES	RESPONSES	
Pensioner	73.59%	39
Active Member	15.09%	8
Deferred Scheme Member	7.55%	4
Councillor	3.77%	2
Employer's Representative	0.00%	0
TOTAL		53

Q2 Please indicate your level of satisfaction with the arrangements

Answered: 53 Skipped: 0



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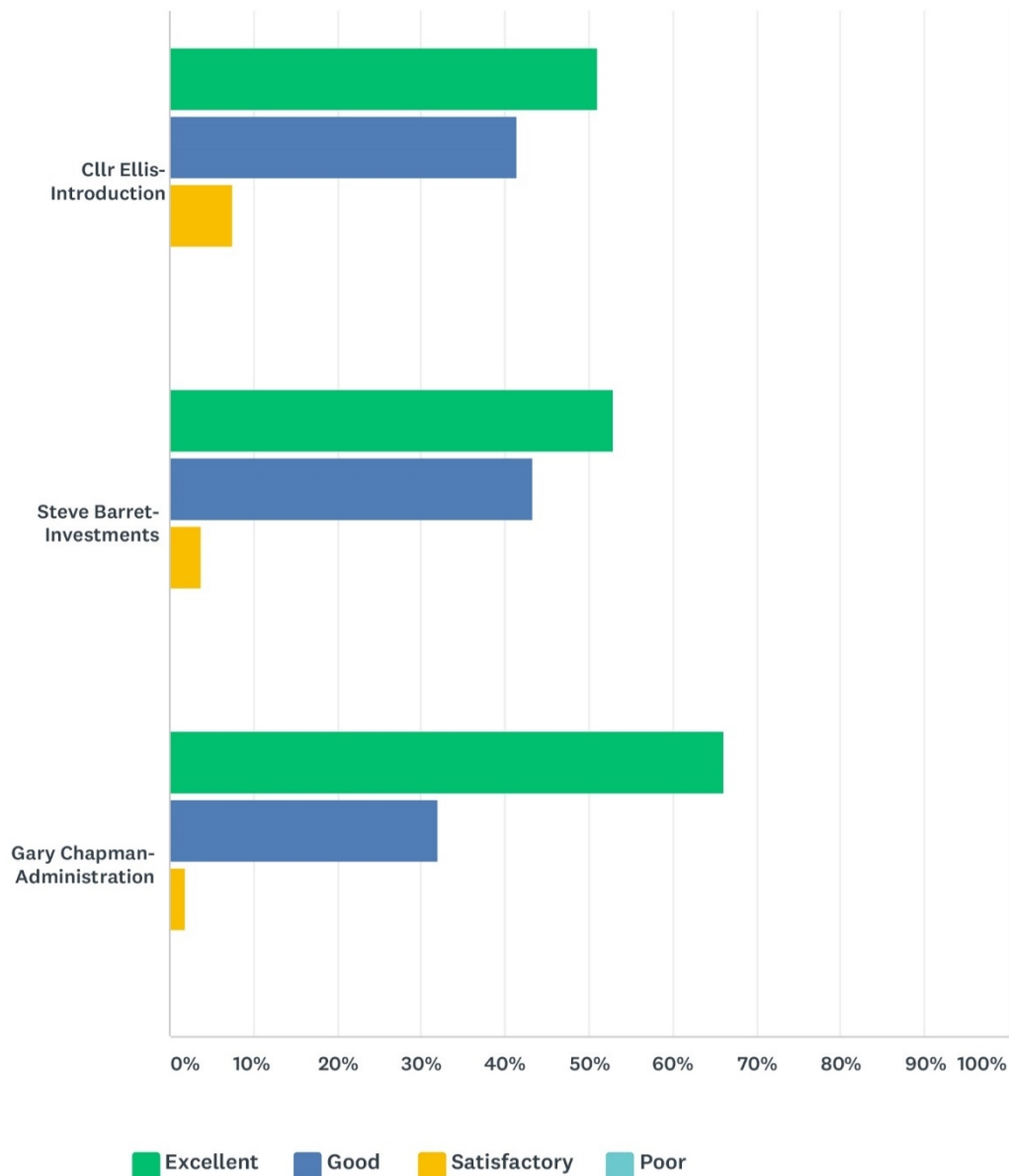
	EXCELLENT	GOOD	SATISFACTORY	POOR	NOT APPLICABLE	TOTAL RESPONDENTS
Time the meeting started	62.26% (33)	28.30% (15)	7.55% (4)	1.89% (1)	0.00%	53
The Venue	54.72% (29)	37.84% (20)	5.55% (3)	1.89% (1)	0.00%	53
Travel Arrangements (if you used the SYPA buses)	54.55% (6)	36.36% (4)	9.09% (1)	0.00% (0)	(42)	53
Directions Provided (if you made your own way)	52.38% (22)	38.10% (16)	9.52% (4)	0.00% (0)	(11)	53
Helpfulness of SYPA staff	75.47% (40)	18.87% (10)	5.66% (3)	0.00%	0.00%	53
Navigation around the venue	54.72% (29)	35.85% (19)	9.43% (5)	0.00%	0.00%	53

ANY OTHER COMMENTS

1. It would help me if the AGM in Sheffield started at 1530hrs because after 1800hrs the trains to Darlington comes in just after the local train to Redcar has gone and it's an hour wait for the next train. I don't arrive home till 2330hrs. Thank you.
2. Not a welcoming venue
3. It would be interesting in next years' report to see a breakdown of the level of attendees at the AFM for the previous 5 years
4. It would be helpful if the meeting started at 6pm and the buffet available from 5.30pm. Please also advertise that buffet is available.
5. I felt cold
6. Too hot

Q3 Please indicate your overall level of satisfaction with the speakers and their presentations

Answered: 53 Skipped: 0



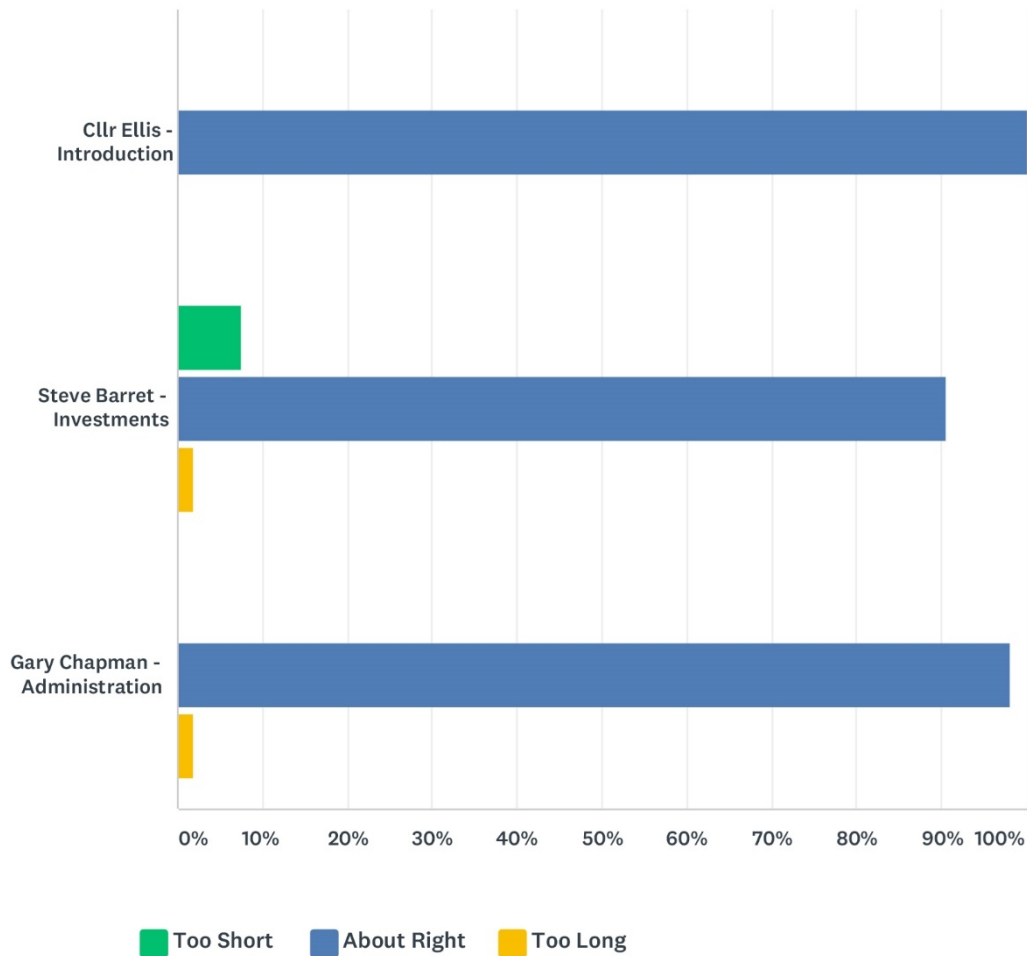
	EXCELLENT	GOOD	SATISFACTORY	POOR	TOTAL RESPONDENTS
Cllr Ellis- Introduction	50.94% (27)	41.51% (22)	7.55% (4)	0.00%	53
Steve Barrett - Investments	2.83% (28)	43.40% (23)	3.77% (2)	0.00%	53
Gary Chapman - Administration	66.04% (35)	32.08% (17)	1.89% (1)	0.00%	53

ANY OTHER COMMENTS

- 1 Although I missed 2016, I have been at most of the rest. This is the best meeting I have attended!
- 2 Clear speech & use of mic's
- 3 Good acoustics. I can hear clearly this time
- 4 All presentations clear and interesting
- 5 Well done everyone
- 6 It would help if Mr Barrett was more transparent about the ethics of which investments are made. The excuse about making the most of investments should not take the place of ethical and environmentally friendly investments

Q4 Please indicate how you felt about the length of each presentation;

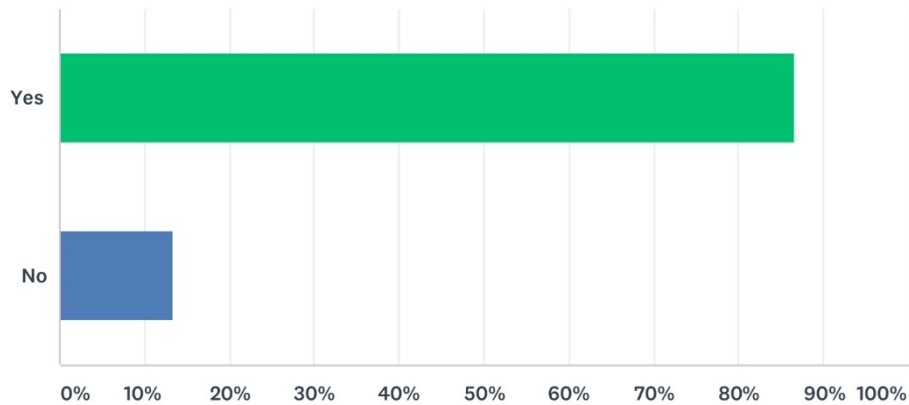
Answered: 53 Skipped: 0



	TOO SHORT	ABOUT RIGHT	TOO LONG	TOTAL RESPONDENTS
Cllr Ellis- Introduction	0.00% 0	100.00% 53	0.00% 0	53
Steve Barrett - Investments	7.55% 4	90.57% 48	1.89% 1	53
Gary Chapman - Administration	0.00% 0	98.11% 52	1.89% 1	53

Q5 In your opinion was there enough time for questions at the end of each presentation?

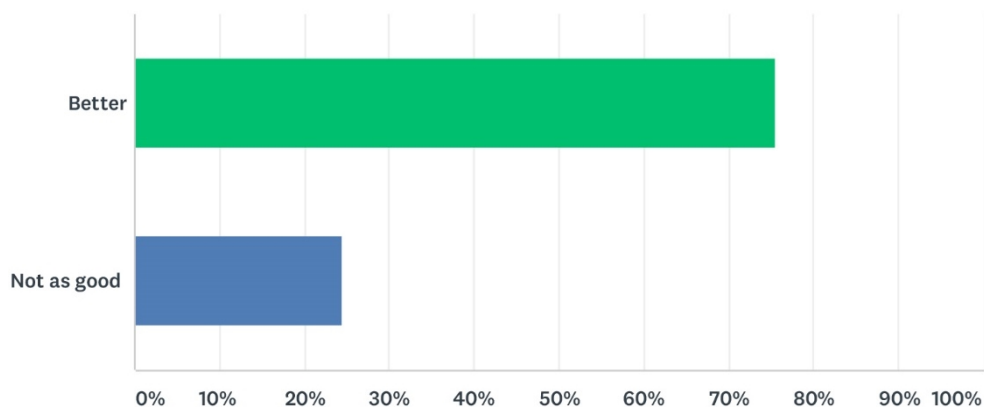
Answered: 52 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	86.54%	45
No	13.46%	7
TOTAL		52

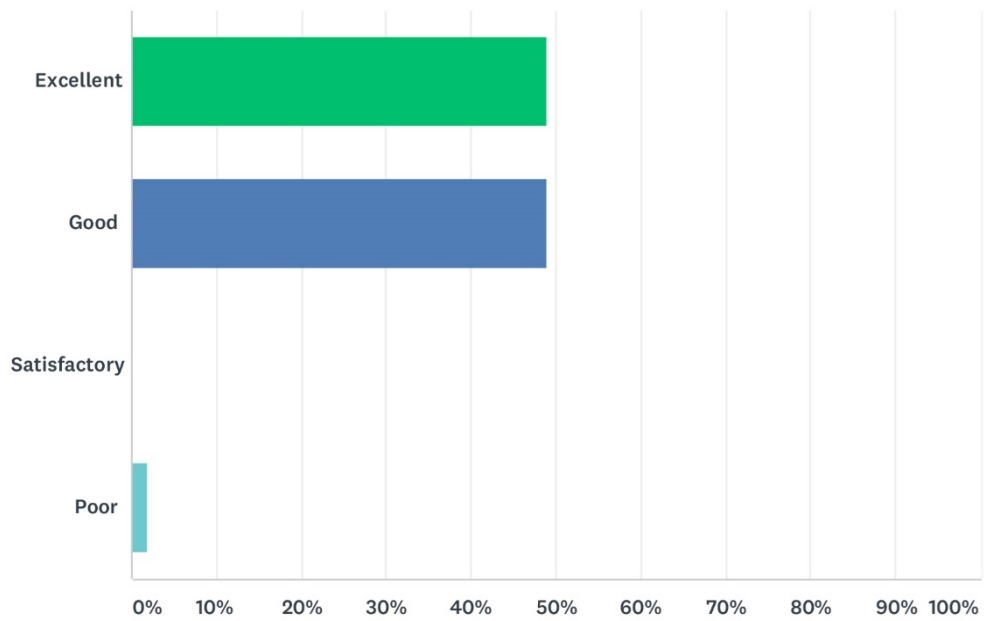
Q6 What do you think to having questions after each individual presentation, in your opinion is it better or not as good as having one question session at the end?

Answered: 53 Skipped: 0



Q7 What do you think to the AFM 2017 hand-out/booklet?

Answered: 53 Skipped: 0



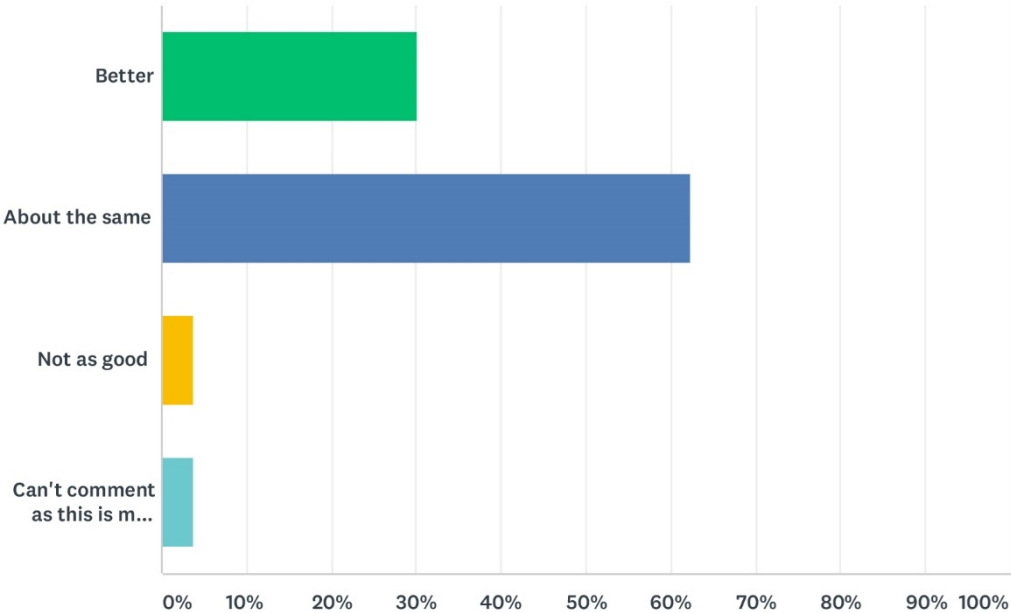
ANSWER CHOICES	RESPONSES	
Better	75.47%	40
Not as good	24.53%	13
TOTAL		53

ANSWER CHOICES	RESPONSES	
Excellent	49.06%	26
Good	49.06%	26
Satisfactory	0.00%	0
Poor	1.88%	1
TOTAL		53

- 1 I can only attend the Sheffield AGM
- 2 Insufficient information about the Border to Coast arrangement.
- 3 On the whole good, however the displays on pages 9 and 21 could be clearer with larger print and different more easily to distinguish colours for the text
- 4 It would be helpful to have links to various aspects mentioned including a section on how the SYPA is engaging with companies like Shell and BP in reducing their fossil fuel involvement
- 5 Short & precise

Q8 If you have attended the AFM before, how does this year's event compare to previous AFMs, was it:

Answered: 53 Skipped: 0



ANSWER CHOICES	RESPONSES	
Better	30.20%	16
About the same	62.26%	33
Not as good	3.77%	2
Can't comment as this is my first AFM	3.77%	2
TOTAL		53

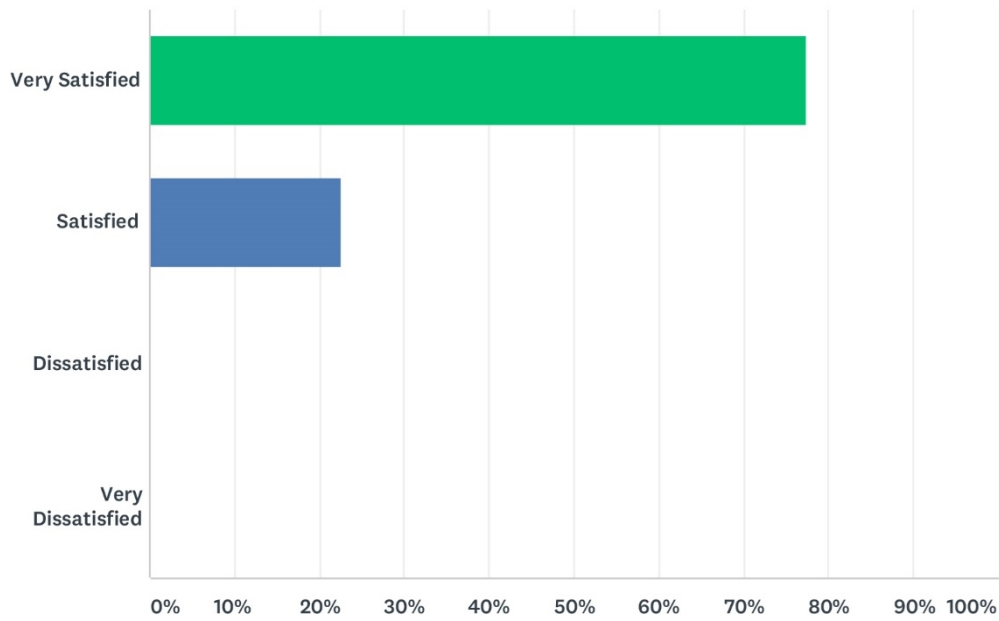
Q9 Please let us have any comments on any aspect of the meeting.

Answered: 11 Skipped: 42

- 1 Slightly changed the way it has been conducted fair out very well
- 2 Best Yet
- 3 Excellent location with good public transport access
- 4 Not enough publicity prior to the event
- 5 My comments is the meeting was very good
- 6 May I suggest a summary review of key points over the previous 12 months and considerations which may affect the fund over the next 12 months
- 7 Good
- 8 The questions were answered better than in 2015, although the questions in the presentation were answered too briefly. I would like a more detailed response to the questions relating to climate change please.
- 9 All aspects very satisfactory
- 10 It would be helpful if there was a jargon buster in the booklet for such terms as 'equities' and other types of funds, and 'UPM'.
- 11 Top table at the same level as members makes for poor viewing & hearing

Q10 Aside from this meeting, with every survey we also like to ask members, how satisfied are you with the overall performance of SYPA?

Answered: 53 Skipped: 0



ANSWER CHOICES	RESPONSES	
Very Satisfied	77.36%	41
Satisfied	22.64%	12
Dissatisfied	0.00%	0
Very Dissatisfied	0.00%	0
TOTAL		53

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SOUTH YORKSHIRE LOCAL PENSION BOARD

15 March 2018

Consultation Programme – Employers Forum Survey

1. Purpose of the Report

To inform Members of the results of the survey carried out amongst the Scheme employers who attended the annual employers forum with a view to testing customer satisfaction of the experience and/or support they received.

2. Recommendations

Members are recommended to note the analysis attached at Appendix 1 with a view to commenting on any future service delivery changes they wish to see.

3. Information

- 3.1 As part of the Authority's Consultation Strategy we are committed to carrying out employer satisfaction surveys after the attendance at the Employers Forum.
- 3.2 The survey was designed to gauge perceptions of the service provided by SYPA in terms of venue, directions, speakers and subjects covered.
- 3.3 All delegates who attended the Forum were issued an online survey after the event. However, employers were invited to give feedback on any area of the day in order for SYPA to improve on future Employer Forums'.
- 3.4 14 out of 68 employers returned a completed survey.
- 3.5 The analysis of these replies were carried out by the Communications and Training Team who will take on board all comments when organising future employer events.
- 3.6 The overall "score" for the various service elements was:-

Service Element	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
Structure	57.14%	42.86%	0.00%	0.00%
Agenda Items	64.29%	35.71%	0.00%	0.00%
Start time	57.14%	42.86%	0.00%	0.00%

Service Element	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
Directions provided	71.43%	28.57%	0.00%	0.00%
Room sizes	71.43%	21.43%	7.14%	0.00%
Room Layout	71.43%	14.29%	14.29%	0.00%
Location	50.00%	35.71%	14.29%	0.00%
Speakers	64.29%	30.36%	1.78%	3.57%
Subjects Covered	57.14%	39.28%	1.79%	1.79%

The format of the meeting followed last year's event, where by employers had the opportunity to suggest agenda items and raise questions prior to the Forum.

Employers were also asked to rate the overall event. 8 employer representatives rated the event as excellent, 4 gave a good rating and 2 employer representatives said it was satisfactory. Comments can be viewed at Appendix 1.

In comparison with previous employers forums 3 employer representatives rated the event as better, 7 said it was about the same and one employer representative said it wasn't as good as previous forums.

- 3.7 Appendix 1 gives the summary, detailed analysis of the responses, and individual comments received as feedback.

4. Future Performance Targets

- 4.1 Members will be aware that we publish and report on our casework performance standards. Therefore in every survey we issue, employers are asked to give us a rating based on the overall satisfaction level of SYPA. The results are shown below:

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
42.86%	57.14%	0%	0%

These results will be added to the results of the same question asked in other surveys to form the basis of our overall performance.

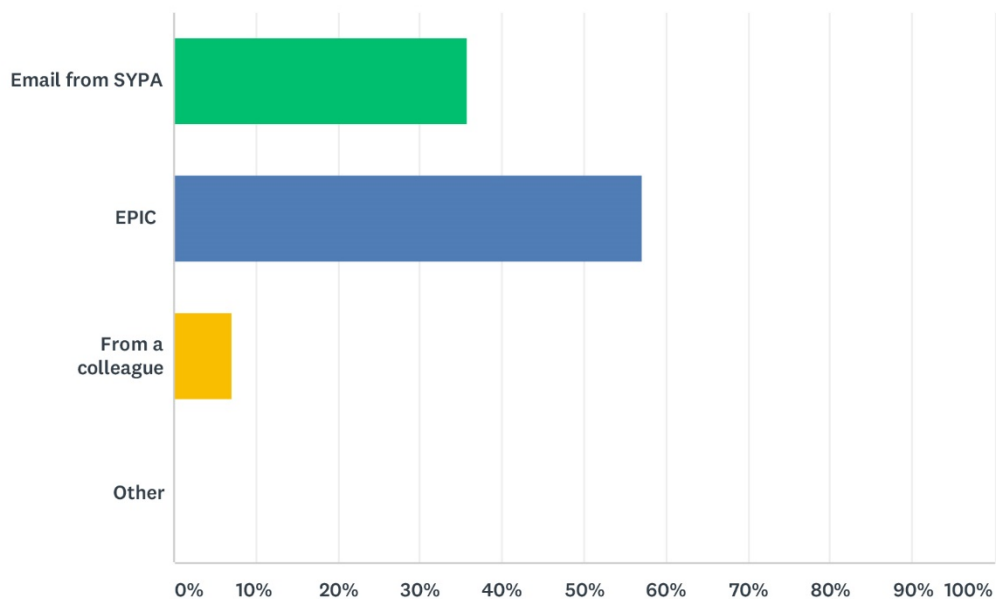
Joanne Webster
Communications Manager
 Phone 01226 772915
 E-mail jwebster@sypa.org.uk

Employers Forum Survey – Appendix 1

Q1 Which organisation were you representing?

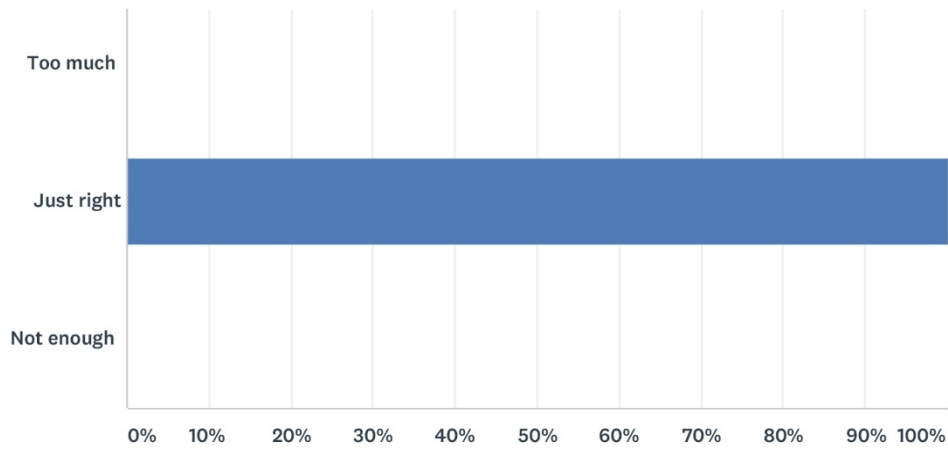
- St Leger Homes of Doncaster Ltd
- Minerva Learning Trust
- Doncaster Council
- Kexborough Primary School
- DONCASTER COLLEGE
- L.E.A.D Academy Trust
- St Leger Homes of Doncaster
- South Yorkshire Fire
- Schools First
- Sheffield Hallam University
- Maltby Learning Trust
- Wellspring Academy Trust
- SYPTE
- Outwood Grange Academies Trust

Q2 How did you hear about the Forum?



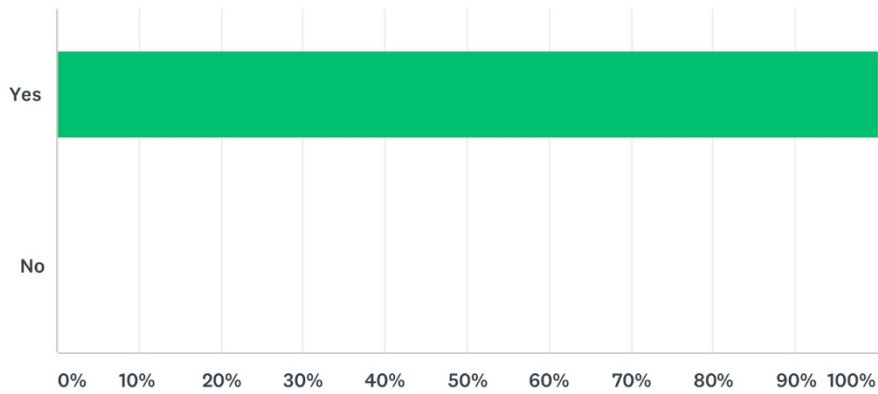
Email from SYPA	35.71%	5
EPIC	57.14%	8
From a colleague	7.14%	1
Other	0.00%	0

Q3 In your opinion, did we publicise the Forum;



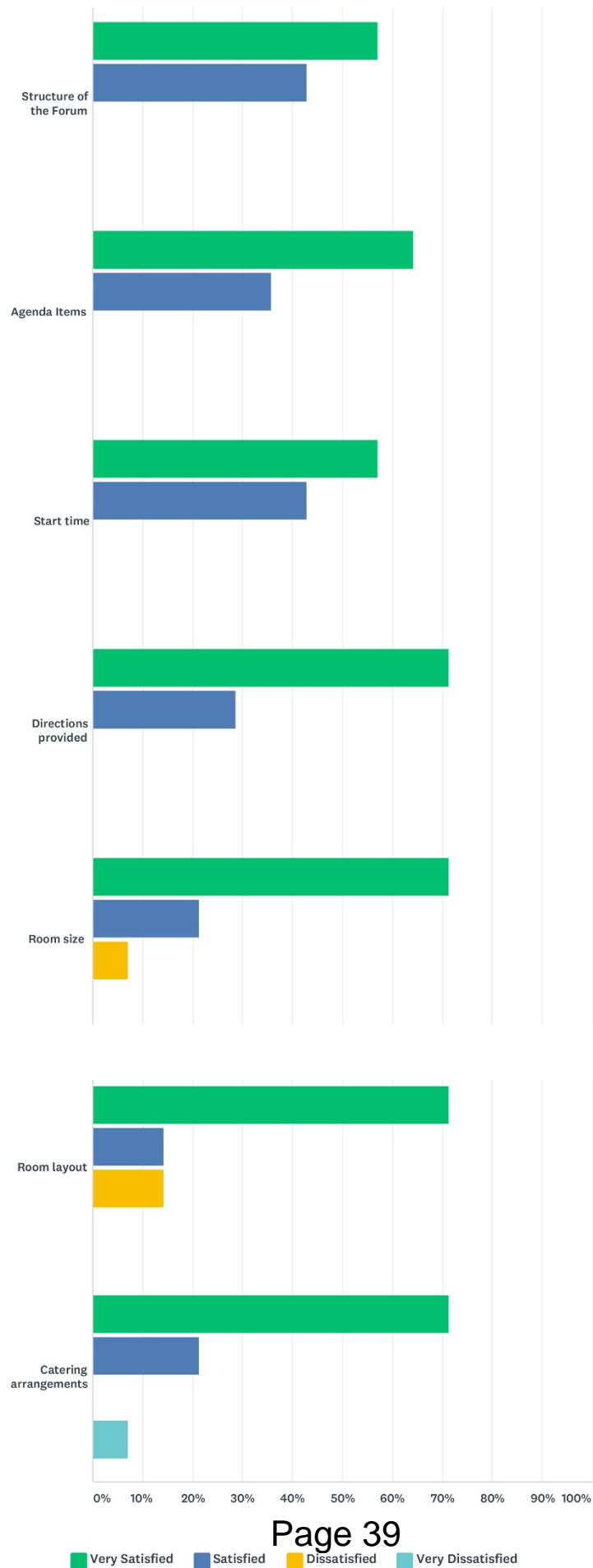
Too much	0.00%	0
Just right	100.00%	14
Not enough	00.0%	0

Q4 Did you have access to the agenda prior to the Forum?



Yes	100.00%	14
No	0.00%	0

Q5 Please indicate your level of satisfaction with:

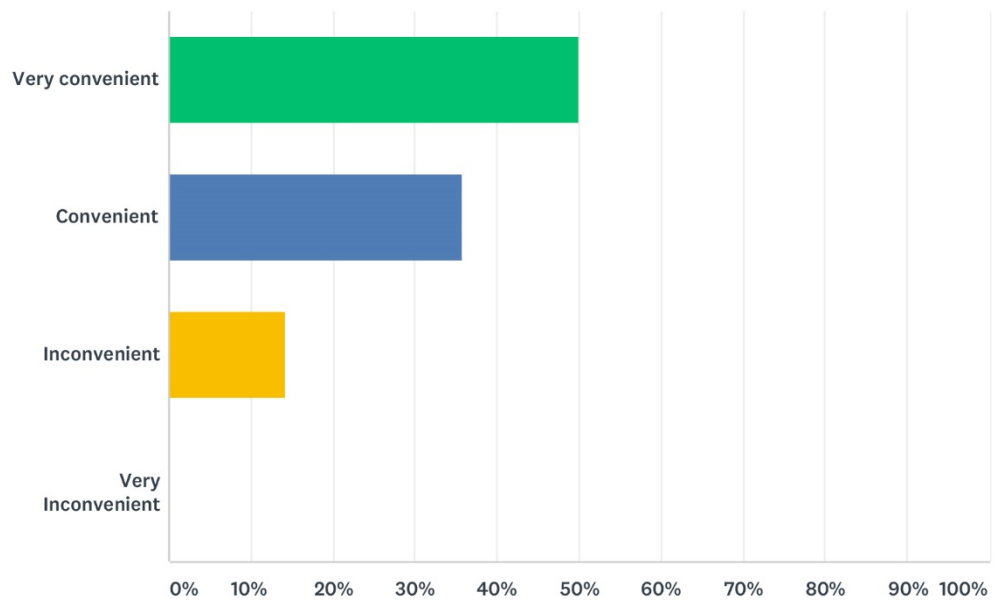


	<i>Very Satisfied</i>	<i>Satisfied</i>	<i>Dissatisfied</i>	<i>Very Dissatisfied</i>	<i>Total</i>
Structure of the Forum	57.14% 8	42.86% 6	0.00% 0	0.00% 0	14
Agenda Items	64.29% 9	35.71% 5	0.00% 0	0.00% 0	14
Start time	57.14% 8	42.86% 6	0.00% 0	0.00% 0	14
Directions provided	71.43% 10	28.57% 4	0.00% 0	0.00% 0	14
Room Size	71.43% 10	21.43% 3	7.14% 1	0.00% 0	14
Room Layout	71.43% 10	14.29% 2	14.29% 2	0.00% 0	14
Catering arrangements	71.43% 10	21.43% 3	0.00% 0	7.14% 1	14

If you have indicated that you are *Dissatisfied/Very Dissatisfied* with any of the above, please state your reasons

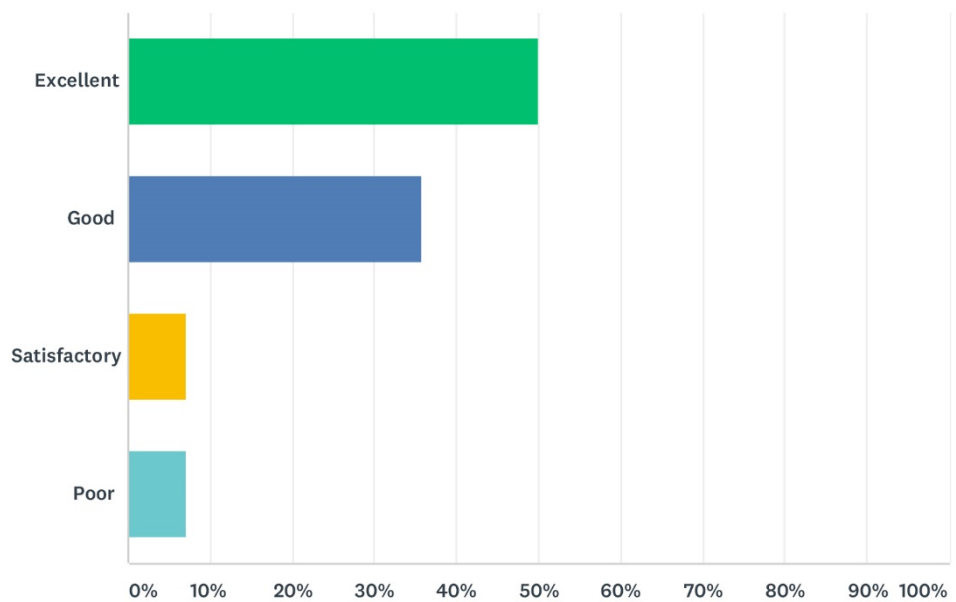
- The chairs were very uncomfortable to sit on for any length of time. The lectern was too big and inhibited the audience's view of some of the presenters.
- I have attended several Forums at the Holiday Inn, I find the room and the restaurant was very cold and lunch was awful this time.

Q6 Please indicate how you rate the location of the event:



Very convenient	50.00%	7
Convenient	35.71%	5
Inconvenient	14.29%	2
Very inconvenient	0.00%	0

Q7 How would you rate this year's venue?

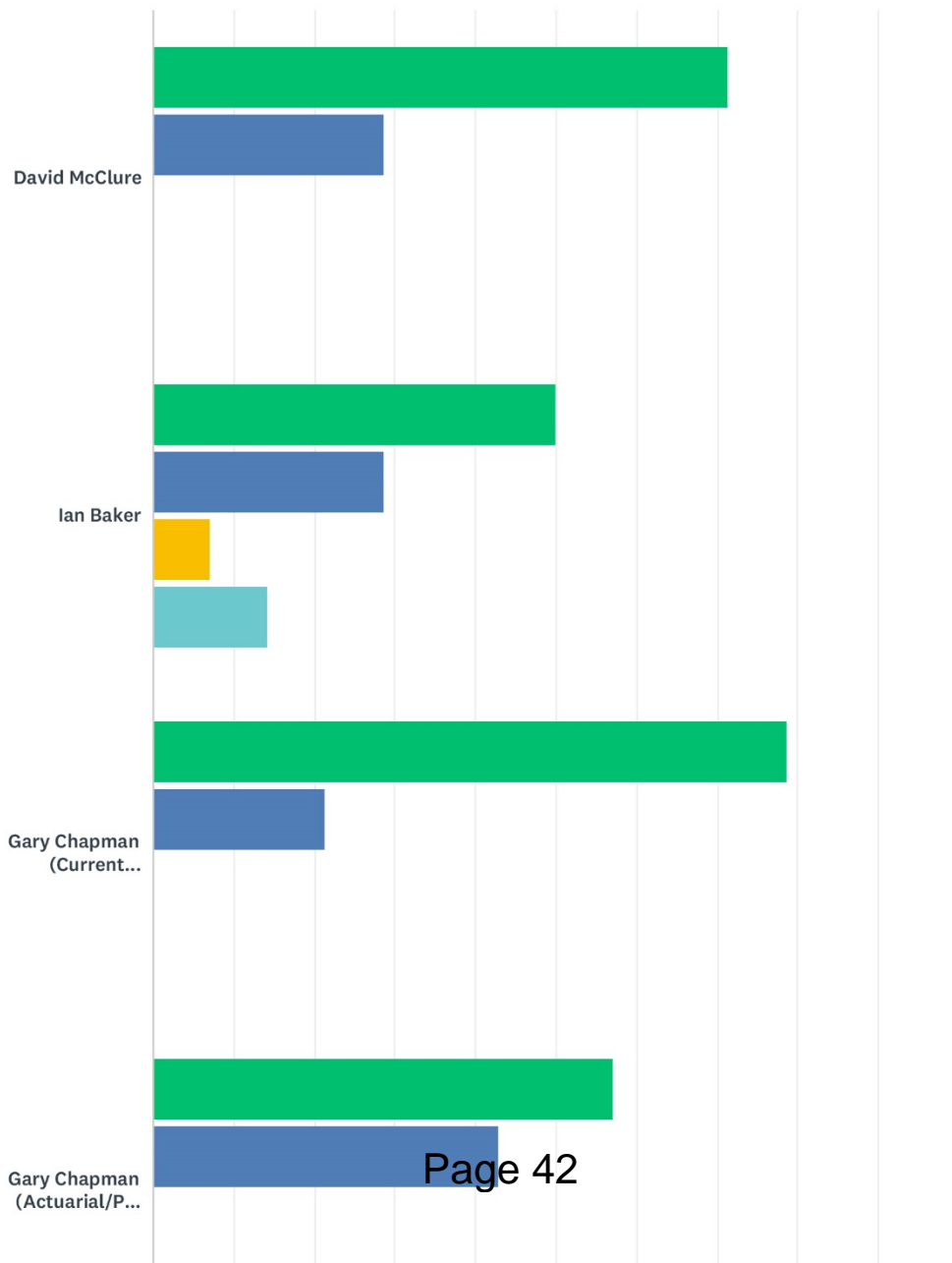


Excellent	50.00%	7
Good	35.71%	5
Satisfactory	7.14%	1
Poor	7.14%	1

If you have given a 'Poor' rating, please tell us why

- Not straightforward to get to if using public transport.
- All rooms cold lunch awful.

Q8 Please indicate your level of satisfaction with the quality of the speakers:

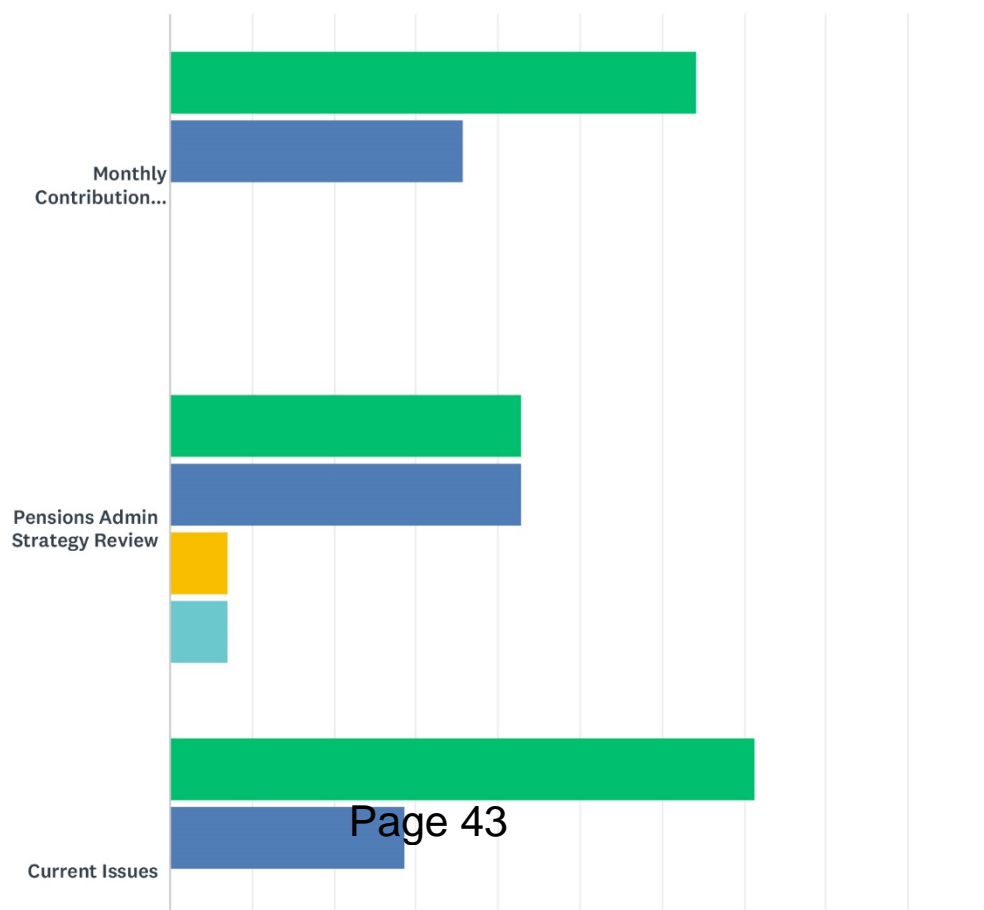


	<i>Very Satisfied</i>	<i>Satisfied</i>	<i>Dissatisfied</i>	<i>Very Dissatisfied</i>	<i>Total</i>
David McClure	71.43% 10	28.57% 4	0.00% 0	0.00% 0	14
Ian Baker	50.00% 7	28.57% 4	7.14% 1	14.29% 2	14
Gary Chapman (Current Issues)	78.57% 11	21.43% 3	0.00% 0	0.00% 0	14
Gary Chapman (Actuarial/Pooling)	57.14% 8	42.86% 6	0.00% 0	0.00% 0	14

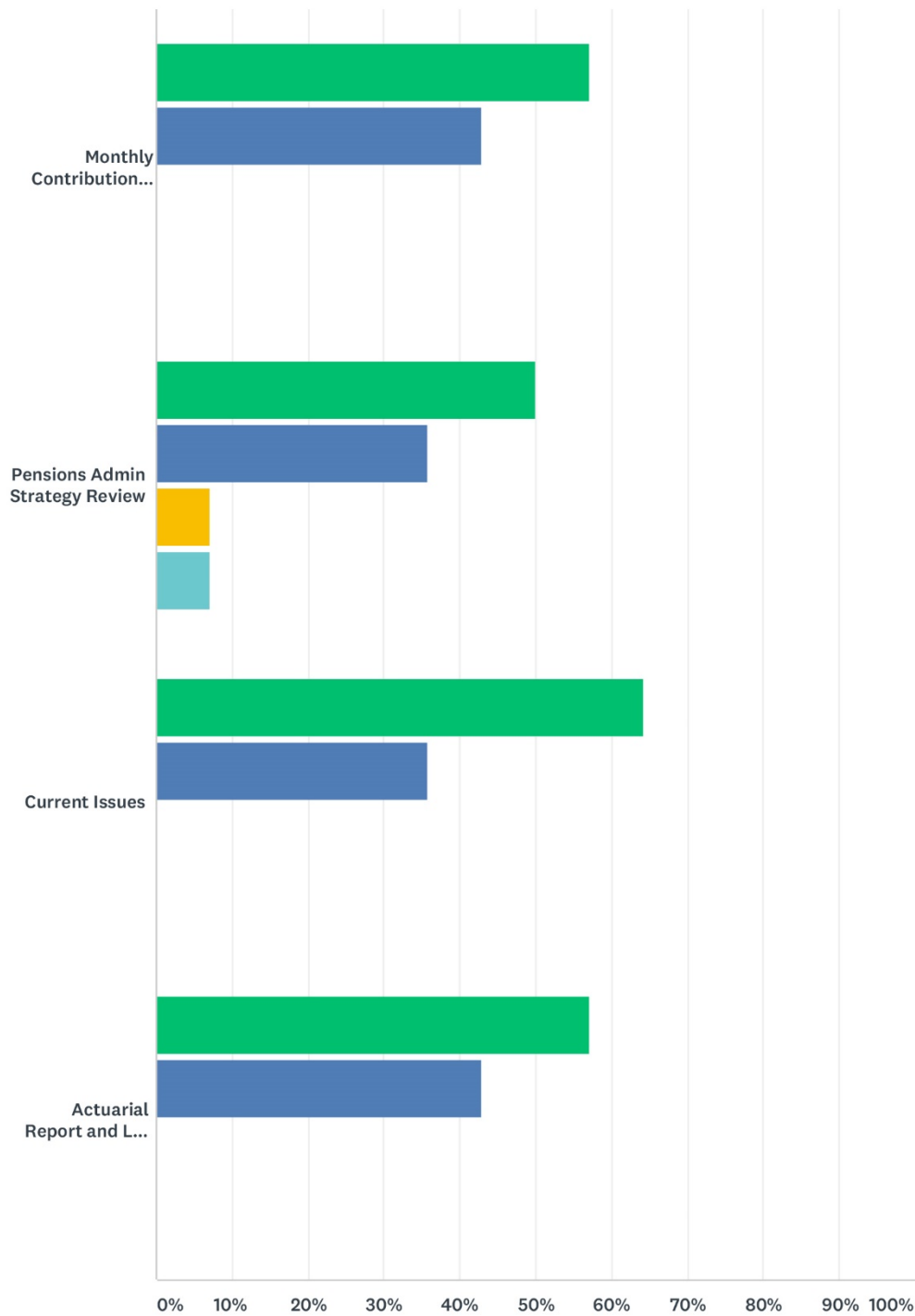
If you have indicated that you are *Dissatisfied/Very Dissatisfied* with any of the above, please state your reasons:

- Comments made in a very negative manner, condescending in tone, poor attitude towards participants. Forgets that we have a choice of which fund to go to and forgets that those who attended did so to improve their knowledge not to be criticised. Found his whole approach disgraceful and thought it was reflected in the lack of applause he was given. Smirked smiles when talking about £20 million fines did nobody any favours. Ruined the rest of what was otherwise a very good day.
- Ian's presentation felt like it was just threading us, we are your customers, we are also the good customers sat in that room as we bother to turn up. I feel he was preaching to/threatening the wrong audience and didn't respect any of us.
- More bothered about penalties and didn't really listen to the questions people asked. Did not seem to want to work together with the employers.

Q9 Please indicate your level of satisfaction with the content of the presentations:

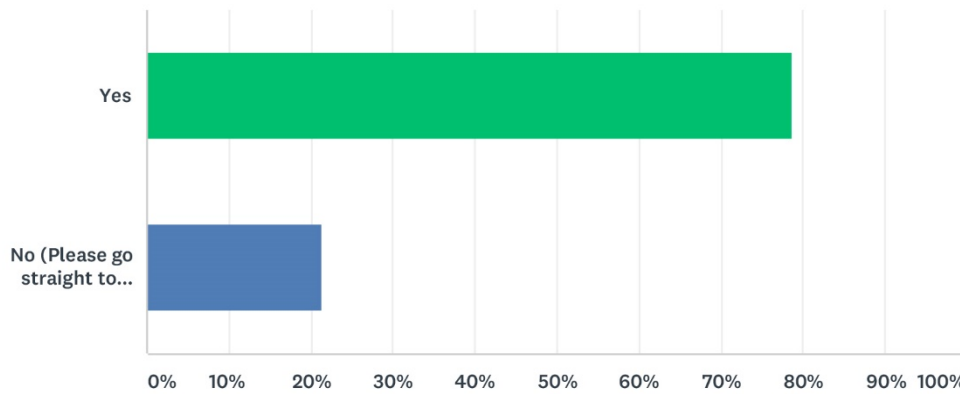


Q10 Please indicate your level of satisfaction with the length of each presentation:



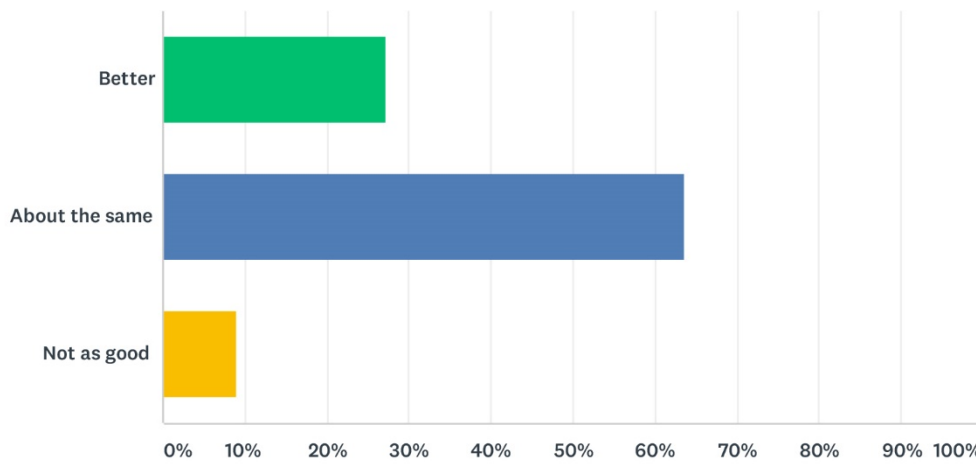
	<i>Very Satisfied</i>	<i>Satisfied</i>	<i>Dissatisfied</i>	<i>Very Dissatisfied</i>	<i>Total</i>
Monthly Contribution Returns	57.14%	42.86%	0.00%	0.00%	14
Pensions Admin Strategy Review	50.00%	35.71%	7.14%	7.14%	14
Current Issues	64.29%	35.71%	0.00%	0.00%	14
Actuarial Report & Pen Investment Pooling	57.14%	42.86%	0.00%	0.00%	14

Q11 Have you attended the Employers Forum before?



Yes	78.57%
No	21.43%

Q12 In comparison with previous Forums you have attended was it:

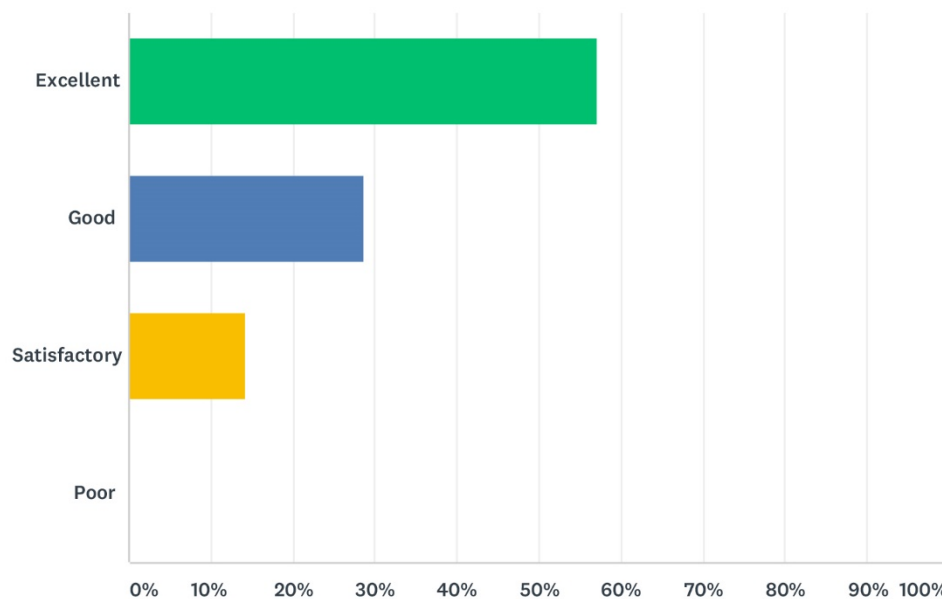


Better	27.27%	3
About the same	63.64%	7
Not as good	9.09%	1

If you have chosen 'not as good' please tell us why

- Ruined by Ian Baker rest was better than previous

Q13 How would you rate the overall event?

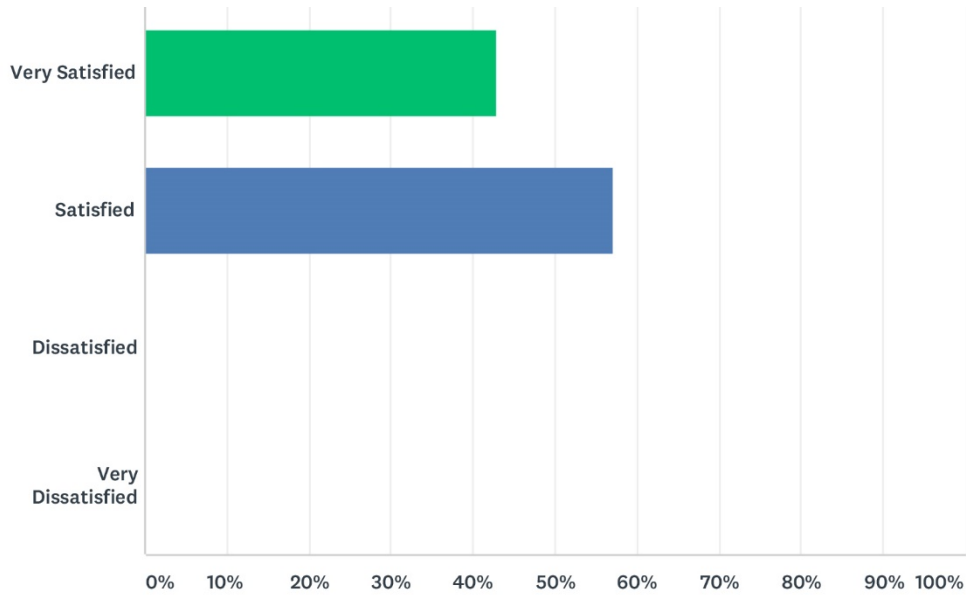


Excellent	57.14%	8
Good	28.57%	4
Satisfactory	14.29%	2
Poor	0.00%	0

Q14 Are there any suggestions for improvements or changes that you would like us to make?

- On the whole I find the event to be really useful in providing an opportunity for some dedicated time to focus on pensions and in particular updates, changes and new initiatives. The thing that I would like to see change may just be a personal perception but I often feel like there is an element of the day that is used as an opportunity to tell employers off for not meeting required standards. While I appreciate that there is clearly an issue with some employers the point was made that the people attending the forum are considered to be the 'good' employers who are engaged and therefore it feels unjust (and an inappropriate forum) when my employer is engaged and making every effort to meet the standards being set by SYPA. This may not be the intention but it is how it comes across to me at least.
- Don't ask Ian Baker to contribute in that tone or manner.
- Change the location.

Q15 With every survey we issue we also like to ask about your overall experience with us. Therefore aside from this event, please rate how satisfied you are with the performance of SYPA?



Very Satisfied	42.86%	6
Satisfied	57.14%	8
Dissatisfied	0.00%	0
Very Dissatisfied	0.00%	0

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SOUTH YORKSHIRE LOCAL PENSION BOARD

15 March 2018

The General Data Protection Regulation (GDPR)

1. Purpose of the Report

To update members on the work being undertaken to prepare for the implementation of the GDPR on 25th May 2018.

2. Recommendations

Members are recommended to note the contents of the report and to comment on the progress being made.

3. Background Information

3.1 GDPR is operative from 25th May 2018 and applies to all EU organisations that hold and/or use personal data about individuals. This is the latest in a series of reports providing on our progress towards implementation.

4. GDPR – Project Update

4.1 The previous update reports have concentrated on general subject headings. As the implementation project is now well underway we can now report on specific areas of work being undertaken as follows;

Work Undertaken	Progress
ICO Data Controller Assessment	This has been completed and has identified the tasks that must be completed in order to attain compliance
Information Asset Register	Managers are currently identifying the information assets they hold and are completing the register. All staff have been directed to identify and review personal information they hold and delete if not required. All retained information will appear on the information asset register.
Privacy Statement	A new member privacy statement is being developed which will incorporate the wording suggested to the LGA from their legal advisers, Squire Patton Boggs
Data Processing Contracts	All existing data share contracts are being reviewed to ensure the data controllers are GDPR compliant
Secure E-Mail	Egress Switch secure e-mail now fully implemented
Data Protection Officer	BMBC are considering our request to have part-time access to their Data Protection Officer
Accreditation	Cyber Security Essentials accreditation achieved following an independent audit. Cyber Security Essentials Plus will be sought towards the conclusion of the GDPR project
Pensions Systems	Internally developed pensions systems in use at SYPA and by external customers are being updated with additional GDPR compliant functionality

External IT Provision	SY Police are to conduct an IT vulnerability assessment of SYPA infrastructure to test the service that we provide to the oPCC situated in Police HQ at Sheffield.
Staff Training	Mandatory training for all staff to take place in 2018 prior to the GDPR implementation. The intention is to use BMBC's online development tool is our preferred option although this is subject to our evaluation of the training material once available. There are already a number of good online learning courses available should the BMBC offering not be ready in time. Staff who do not undertake the training or who fail the test will be denied access to the network until they comply.

5. Implications and risks

- **Financial** - GDPR is an issue effecting the Authority as a whole and one which cannot be ignored. The costs associated with GDPR are not expected to be more than £50,000 in total and these costs will be met from the Corporate Strategy Reserve.
- **Legal** - There are no specific legal considerations.
- **Diversity** - None

Officer responsible:

Gary Chapman Head of Pensions Administration

Phone 01226 772954

E-mail: gchapman@sypa.org.uk

Background papers used in the preparation of this report are available for inspection in the Pensions Administration Unit.

SOUTH YORKSHIRE LOCAL PENSION BOARD

15th March 2018

REPORT OF THE HEAD OF INTERNAL AUDIT AND CORPORATE ANTI-FRAUD

INTERNAL AUDIT PROGRESS REPORT

1. Purpose of the Report

To report on the work completed and that in progress by the Internal Audit Team from the 1st October 2017 to 31st January 2018, to report the position with regard to the implementation of recommendations and to inform the Board about planned work and the performance of the Team.

2. Recommendations

It is recommended that Members consider the report.

3 Background Information

3.1 As part of its audit committee function the Corporate Planning & Governance Board oversees the work of the Internal Audit Team and receives various reports. The Board has received and / or agreed the following reports to date:-

- 1st June 2017
 - IA Annual Report 2016/17
 - IA Charter 2017/18
 - IA Progress Report
- 20th July 2017
 - IA Progress Report
- 19th October 2017
 - IA Progress Report
 - IA Planning Consultation Paper 2018/19

3.2 The report attached at Appendix A includes:-

- significant control or compliance issues;
- longstanding recommendations;
- a summary of the work completed since the previous progress report;
- a summary of the work in progress;
- assurance opinions given and total recommendations made (Table 1A);
- a table of recommendations followed-up by Internal Audit since the previous progress report;
- a trend analysis;
- Internal Audit performance measure information (Appendix B).

3.3 Assurance Opinion

The Assurance Opinion applied for each piece of work will be selected from the following range:-

- Substantial;
- Adequate;
- Limited;
- No Assurance.

The Assurance Opinion is primarily driven by the number and priority level of the recommendations made / agreed. The priority level of recommendations is described either as Fundamental (F), Significant (S) or Merits Attention (MA).

The Assurance Opinion is also influenced by whether the recommendation is in respect of the *adequacy* (or existence) of a control or the *application* of an existing control.

4. Implications

4.1 Financial

The cost of the services of the Internal Audit Team is contained within the budget and is periodically invoiced.

4.2 Legal and Freedom of Information Act

- Section 73 of the Local Government Act 1985 requires the Authority to make arrangements for the proper administration of its financial affairs; and Regulation 6 of the Accounts and Audit Regulations 2011 requires the Authority to maintain an adequate and effective system of Internal Audit of its accounting records and of its system of internal control.
- This report does not contain any information which is exempt under the Freedom of Information Act 2000.

4.3 There are no diversity or risk management issues associated with this report.

Rob Winter CPFA Head of Internal Audit and Corporate Anti-Fraud

Contact Officer: Louise Booth CPFA
Designation: Audit Manager
Contact detail: email: louisebooth@barnsley.gov.uk
Tel: 01226 773190

Background papers used in the preparation of this report are available for inspection at Barnsley Metropolitan Borough Council, Westgate Plaza, Barnsley.

Other sources and references:

Internal Audit Charter 2017-18, Annual Plan 2017-18, Individual Internal Audit Reports, MK Insight (Audit Management System), Public Sector Internal Audit Standards 2017.

INTERNAL AUDIT PROGRESS REPORT

1 Annual Plan and Actual Comparison

The annual audit plan for 2017-18 was agreed with the Senior Management Team and presented to the Board in February 2017. The agreed 245 planned days included an agreed 16 days carried forward from 2016-17 to complete the remaining 4 assignments (Process Maps, Payroll incl. Transfer Values & Lump Sums, Total Fund Value and Local Authority Performance / SLA).

Also included within the planned days was time to undertake 4 formal assignments resulting in a formal internal audit report, of which 2 are complete, 1 is currently at draft report discussion stage and 1 assignment has been deferred (as referred to at Section 7 below).

The planned days also included provision of 85 days to undertake core financial systems reviews, to be determined on a risk basis. Each review will result in a formal report and these are scheduled to commence during Quarter 4, with the audit work currently being scoped.

A total of 97 days of planned work have been delivered to date, including 24 days completed since the last report.

2 Significant Control or Compliance issues to bring to the Board's Attention

- 2.1 There are no new significant control or compliance issues to bring to the Board's attention as a result of Internal Audit work completed during the period.

3 Longstanding Recommendations and Management Responses

- 3.1 This section highlights to Members any recommendations that remain outstanding for 6 months or more following the original recommendation/agreed action target completion date and/or where the recommendation/agreed action target completion date has been subject to 3 revisions. There are no recommendations that fall into this category to bring to the Board's attention.

4 Completed Projects since last Progress Report

Title of Audit (Date Issued)	Key Issues and Finding arising from the Audit	Assurance Opinion	No. & Priority of Recs	Comments / Follow-up Action
Financial Conduct Authority Monthly Compliance	There were no issues requiring a formal report and control in all areas was good.	N/A	None	N/A
Financial Conduct Authority Quarterly Compliance 21/11/2017	The review concluded that the controls in place for transactions placed on behalf of the South Yorkshire Passenger Transport Pension Fund were operating in accordance with current policies and procedures.	N/A	None	N/A

5 Projects / Other Work In Progress

Title of Audit or Nature of Audit Activity	Key Objective(s)	Status / Comment
Financial Conduct Authority Monthly Compliance	To ensure that transactions undertaken on behalf of the SYTPF are on the best terms available on the market at the time.	On-going throughout the year.
Financial Conduct Authority Quarterly Compliance	Review of arrangements to ensure compliance with the Financial Conduct Authority rules relating to: <ul style="list-style-type: none"> • Inducements (Gifts & Hospitality) • Suitability • Customer Order Priority • Timely Execution • Timely Allocation • Fair Allocation • Churning and Switching • Personal Dealing 	On-going throughout the year.
IT Risk Assessment	To provide assurance that IT security arrangements are robust.	Draft audit report issued for discussion.
Pensions Pooling Arrangements	To provide advice, support and guidance to management during the transition to a Pensions Pooling Arrangement.	On-going throughout the year.
Core Financial Systems	To provide assurance that systems and controls are robust and operating effectively and efficiently. Risk based strategy, systems to be determined.	Audit work is currently being scoped.
Pensions Planning Group	Attendance by Internal Audit to advise and monitor emerging issues at a strategic level.	On-going throughout the year.

Title of Audit or Nature of Audit Activity	Key Objective(s)	Status / Comment
AGS Process	To provide advice, support and guidance on the AGS process and arrangements.	On-going throughout the year.
NFI	Audit Commission data matching exercise to identify potential fraud.	On-going throughout the year.

6 Planned Work

- 6.1 The reviews included in the agreed annual audit plans relating to 2017-18 will commence during the agreed scheduled quarters throughout the financial year.

7 Cancelled / Deferred / Added Assignments

- 7.1 A planned audit of the Risk Management Framework has been deferred having regard to a recent management review of process and subsequent ongoing consolidation of procedures.

8 Internal Audit Performance

The performance indicators for the Team for the third quarter are included at Appendix B. Some indicators are non-client specific. Those indicators that are client specific are marked *.

The performance indicators for the third quarter are generally satisfactory at this point of the year.

Summary Activity Report

All Audit Reports Completed in each Quarter

Assurance Opinion	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative
Substantial	1 (25%)				1 (17%)
Adequate	3 (75%)	2 (100%)			5 (83%)
Limited					
None					
TOTAL REPORTS	4 (100%)	2 (100%)	See Work in Progress Para 5		6 (100%)

Total Recommendations

Number of Recommendations	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative
Fundamental					
Significant	4 (57%)	5 (42%)			9 (47%)
Merits Attention	3 (43%)	7 (58%)			10 (53%)
TOTAL	7 (100%)	12 (100%)	N/A		19 (100%)

Recommendations Followed-up in the Period

Reporting in the period					
Recommendation Classification	Followed- Up	Completed by Target Date	Completed After Target Date	Not Yet Completed – Revised Date Agreed	Awaiting Management Response
Fundamental					
Significant	3 (33%)	1 (11%)	1 (11%)		1 (11%)
Merits Attention	6 (67%)	4 (45%)	1 (11%)		1 (11%)
Total	9 (100%)	5 (56%)	2 (22%)		2 (22%)

Recommendations Past Original Target Date - Not Yet Complete / Awaiting Management Response							
Audit Report	Agreed Action / Classification	Status	Original Target Date	1 st Revised Target Date	2 nd Revised Target Date	3 rd Revised Target Date	Date of IA Follow Up (where awaiting management response)
Local Authority Performance / SLA's	R1 Significant - The Head of Pensions Administration will liaise with the Districts with regards to the findings identified in this review, to clarify the Service Agreement requirements and revise (where required).	Followed up – Not yet implemented	31.10.17	31.03.18	N/A	N/A	

Trend Analysis – All Quarters 2017-18

Assurance Opinions

	2017-18				Cumulative
	Q1	Q2	Q3	Q4	2017-18
	%	%	%	%	%
Substantial	25	0	0		17
Adequate	75	100	0		83
Limited	0	0	0		0
None	0	0	0		0
	100	100	100	100	100

Recommendations

	2017/18				Cumulative
	Q1	Q2	Q3	Q4	2017-18
	No.	No.	No.	No.	%
Completed by target date	4	1	5		33
Completed after target date	0	4	2		20
Not yet completed - revised date agreed	1	0	0		3
Awaiting Management Response*	2	9	2		44
Total followed up	7	14	9		100
% Completed by Due Date (excl. *)	58	7	56		
% Completed at time of follow-up	58	36	78		

Glossary (For Tables 1A – 1C)

1. Classification of Recommendations

Fundamental A recommendation requiring immediate action – imperative to ensuring the objectives of the system under review are met.

Significant A recommendation requiring action necessary to avoid exposure to a significant risk to the achievement of the objectives of the system under review.

Merits Attention A recommendation where action is advised to enhance control or improve operational efficiency.

2. Assurance Opinions

	Level	Control Adequacy	Control Application
POSITIVE OPINIONS	Substantial Assurance	Robust framework of controls exist that are likely to ensure that objectives will be achieved.	Controls are applied continuously or with only minor lapses.
	Adequate Assurance	Sufficient framework of key controls exist that are likely to result in objectives being achieved, but the control framework could be stronger.	Controls are applied but with some lapses.
NEGATIVE OPINIONS	Limited Assurance	Risk exists of objectives not being achieved due to the absence of key controls in the system.	Significant breakdown in the application of key controls.
	No Assurance	Significant risk exists of objectives not being achieved due to the absence of controls in the system.	Fundamental breakdown in the application of all or most controls.

INTERNAL AUDIT PERFORMANCE INDICATORS FOR QUARTER 3 OF 2017/18

Ref.	Indicator	Frequency of Report	Target 2017/18	This Period	Year to Date
1.	<u>Customer Perspective:</u>				
1.1	* Percentage of questionnaire received noted "good" or "very good" relating to work concluding with an audit report. (Cumulative 3 very good or good)	Quarterly	95%	N/A	100%
2.	<u>Business Process Perspective:</u>				
2.1	* Percentage of final audit reports issued within 10 working days of completion and agreement of the draft audit report. (Cumulative 5/6 reports)	Quarterly	80%	N/A	83%
2.2	Percentage of chargeable time against total available.	Quarterly	73%	74%	70%
2.3	Average number of days lost through sickness per FTE	Quarterly	6 days	Nil days	0.75 day
3.	<u>Continuous Improvement Perspective:</u>				
3.1	Personal development plans for staff completed within the prescribed timetable.	Annual	100%	100%	100%
4.	<u>Financial Perspective:</u>				
4.1	Total Internal Audit costs v budget.	Quarterly	Within Budget	Within Budget	Within Budget

* KPIs relate specifically to the SYPA.

SOUTH YORKSHIRE LOCAL PENSION BOARD

15 March 2018

RISK REGISTER

1. Purpose of the Report

To review the Authority's Risk Register.

2. Recommendations

Members are asked to review the Risk Register.

3. Background Information

3.1 The Corporate Planning and Governance Board is responsible for the oversight of the Authority's Risk Register and is involved in the identification of high level strategic risks. To enable the Board to carry out these responsibilities the Register is a standing item on all Board agendas. The Pensions Officer Planning Group review and update the Register before presenting it for consideration by the Board.

3.2 A copy of the Risk Register is attached for Local Pension Board Members' consideration.

4. Risk Update

4.1 Revisions have been made to the Register since it was last presented to the Board for consideration.

4.2 There are no additional risks reported although updates have been made where appropriate and the 'risk change' column gives a clear visible direction of travel indicator.







4.3 Risks 10 and 11 have now been dealt with and will be removed from subsequent reports.

Officer responsible: Gill Richards, Democratic Services Officer
01226 772806: gichards@syjs.gov.uk

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SY PENSIONS AUTHORITY RISK REGISTER AS AT

06/02/2018

Priority	Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Current Score	Probability and Impact	Target Score	Probability and Impact	Risk Mitigation Action	Owner	Risk Change	Review Date	Commentary (If Applicable)
	001	Failure to ensure there are appropriate succession plans in place to ensure employees are given opportunities to demonstrate their capability to 'step-up' to more senior roles	Leading to... Knowledge gaps; Negative impact on existing / remaining employees; Business Continuity and resilience issues; Negative impacts on service delivery; Poor performance and non-delivery of targets; Reputational damage; Potential knock on effects where knowledge gaps could appear in areas where employees have been promoted from.	Fund Director	Training of employees; Sharing of information; Use of minutes and central resources to ensure employees are well informed; Involvement in all issues of management teams to ensure continuity; No immediate competitors for recruitment in the Pensions industry; Procedures well documented; Currently carrying some vacancies to provide some flexible options; Need to provide full Business Case prior to any recruitment being undertaken; External HR support in place; Authority Management Committee in place; BMBC HR support;	3	P - H F - M OI - M	4	P - H F - L OI - L	Access to online training for all staff now available. Fund Director to report to the Authority 5/10/17 on structural proposals post pooling including succession planning and qualification levels for new posts. Delivery of internal Training Programme 17/18	Fund Director		31/05/2018	This has been updated to recognise appointments of new Fund Director and Head of Pensions Administration. There is a commitment to establishing qualification levels for all posts and availability of formal and online training for all.
	002	Failure to ensure that the Elected Members knowledge and understanding of Pensions related activities is robust, and meets the statutory requirements in terms of Section 248a of the Pensions Act 2004	Leading to... Improper scrutiny and challenge by Elected Members; Mistakes, Errors and omissions and non-compliance with statutory requirements; Failure to ensure contributions are collected; Failure to ensure benefits are calculated properly; Failure to ensure surplus monies are properly and prudently invested; Reputational damage in terms of censure from regulators;	Clerk to the Authority	Induction training provided to new Members which comprises a three day external training course; One day internal refresher course in 2013; Periodic awareness presentations delivered to Members; A self assessment framework for Members and Chairs is in operation but needs refining - this should assist in identifying training requirements; Lead Member for training identified; Working to the spirit of the CIPFA Code of Practice (Code of Practice on Public Sector Pensions Finance Knowledge and Skills, revised in 2013) - Treasurer is the nominated CIPFA officer; Production of Annual Report which includes commentary on Members training activities; External training augmented by internal training;	5	P - M F - VL OI - L	6	P - L F - VL OI - L	Review of Members self assessments	Treasurer		31/05/2018	
	003	Failure to ensure that required pay and contributions data from customers is provided in an accurate and timely manner	Leading to... Negative impacts on operational targets; Inaccurate information being given to employees and pensioners resulting in complaints, customer dissatisfaction and reputational damage;	Fund Director	District Group Meetings between officers; Regular reports on progress submitted to Corporate Planning and Governance Board; Practitioner officer working group established; Ongoing liaison with External Audit; Pensions regulator responsible for regulating schemes and is able to fine and censure those responsible for inaccurate or late information; Pension Strategy approved by Authority - reviewed and revised version to be ratified by SYPA on 15th March - incorporates SLA's and improves upon them in terms of fines being levied for customers who are non-compliant;	2	P - M F - H OI - M	3	P - L F - H OI - H	Pensions Administration Strategy kept under annual review. Monthly postings to be implemented from 1st April 2018	Head of Pens Admin		31/05/2018	Positive steps forward in this area but the risk remains high until the change to monthly posting has been implemented. The software has been delivered and testing is going well. Employers are participating in the testing..
Page 63	004	Failure to ensure that social, environmental and other factors such as the use or endorsement of fossil fuel, obesity and tobacco by companies in which the Fund invests are considered when making investment decisions	Leading to... Non-achievement of investment objectives; Failure to protect and enhance the economic value of the companies the Fund invests in; Reputational damage;	Fund Director	Internal policy documents in place; Awareness information circulated within Investments Team; Membership of various pressure groups; Reports to Members Oversight Board; Awareness of balance between risk (investing in companies that may have an interest in fossil fuel, obesity and tobacco) against reward (high yield investments); Pensions Climate Change Policy Document published and feedback received; Investment Strategy Document in place; Performance reports include information on investments made;	4	P - M F - M OI - M	5	P - L F - L OI - L	Reports to members have been submitted during the year.	Head of Investments		31/05/2018	Members are kept up to date with reports as appropriate.
	005	Failure to ensure that the deposits held with banks and other financial institutions is repaid on the agreed due date (Credit Risk)	Leading to... Financial loss; Negative impact on overall financial viability of the scheme;	Fund Director	Treasury Management Strategy requires that deposits are not made with financial institutions unless they meet identified minimum criteria set by the Authority; Maximum sum to be invested identified for each institution; Credit monitoring arrangements in place; Financial references obtained for institutions that the Authority may potentially invest in;	5	P - L F - M OI - L	6	P - L F - L OI - L	Ongoing monitor and review	Head of Finance		31/05/2018	Treasury Management strategy reviewed and approved March 2017. Monitoring reports submitted during the year.
	006	Failure to ensure that the Authority has appropriate access to its cash resources to meet its commitments to make payments (Liquidity Risk)	Leading to... Financial loss; Negative impact on overall financial viability of the scheme; Inability to meet pensioner payroll costs and investment commitments;	Fund Director	The Fund has immediate access to its cash holdings with the majority of cash being deposited for no longer than a week, and no cash being deposited for more than a month;	5	P - L F - M OI - L	6	P - L F - L OI - L	Actuarial review in 2016 completed ; new contribution rates in place from April 2017. Treasury management operations kept under review. Deposits of more than one month will be considered within the Treasury Management policy limits	Head of Investments		31/05/2018	Cash levels are monitored on a daily basis

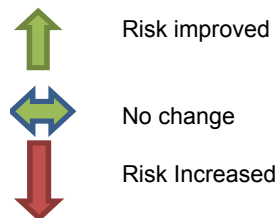
SY PENSIONS AUTHORITY RISK REGISTER AS AT

06/02/2018

Priority	Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Current Score	Probability and Impact	Target Score	Probability and Impact	Risk Mitigation Action	Owner	Risk Change	Review Date	Commentary (If Applicable)
	007	Failure to ensure the Authority protects the data it owns, and the data it handles	Leading to... Loss of personal information resulting in reputational damage and censure by Information Commissioner; Loss of trust from partnering organisations; Successful attacks by hackers or third parties; Disruption and delays;	Fund Director	Data back up undertaken daily and backed up information removed from site; Disaster Recovery procedures and Business Continuity Plan in place; External Audit by third party organisations the Authority works with; Security of emails via GSX accounts or the use of Mimecast software; IT Security Policy in place; Reporting of incidents to Information Commissioner; Information Governance training included in training programme; BOLD training available via BMBC; Data Protection Officers no longer in post within SY Pensions; Contract management arrangements regarding the software provided by SY Pensions to third parties includes performance management consideration; Liaison with Landlord regarding improvements to physical security of Regents Street Offices such as lock on doors undertaken; Mandatory Data Protection training in place;	3	P - L F - H OI - H	5	P - VL F - M OI - H	Bi-Annual review of BCP Roll-out of Windows 10 to enable hard drives to be encrypted Review of where data is stored to ensure is can not be extracted Provision of GDPR training when available	IT Manager IT Manager IT Manager IT Manager	↔ ↑ ↑ ↔	31/05/2018 Complete Complete 31/05/2018	The IT plan is tested on an annual basis. No issues from the last test. The review of data storage and roll out of windows 10 is complete. The GDPR project features under risk 12 below
	008	Failure to ensure that the reconciliations between SY Pensions and the DWP relating to the end of the contracting out window (31/03/2016) are undertaken within an appropriate timescale	Leading to... SY Pension will have to guarantee minimum pension levels, and essentially have to underwrite the risk of miscalculation or lack of / poor information;	Fund Director	Details from central Government are still emerging; Current lack of resources within SY Pensions makes this a challenging area to comply with; Approval received to outsource arrangements to I.T.M. Ltd;	3	P - H F - M OI - M	4	P - M F - M OI - M	Review of work undertaken by I.T.M. Ltd to ensure members benefits are correct. Reconciliation work has been undertaken and recalculations ready to be done.	Head of Pens Admin	↔	31/05/2018	Progress has been made but recalculations are now in a queue along with other work waiting to be done. Recalculation plan being developed.
	009	Transition to the new investment 'pooling' arrangements is not well managed	Poorer value for money Negative impact on the staff involved in the transition Reputational damage for SYPA and the LGPS	Clerk to the Authority	Joint Committee Established Chair of SYPA is vice chair on the Joint Committee Officer Steering Group with SYPA senior officers involved Sec151/Monitoring Officer oversight of arrangements Regular reports to SYPA & LPB	3	P - L F - H OI - H	3	P - L F - H OI - H	Member and officer participation in pooling arrangements and reporting to SYPA	Fund Director	↔	31/03/2018	Regular reporting in place at SYPA meetings. Key BCPP appointments now made. SYPA structure post transfer approved October 2017 pending review by the new Fund Director.
Page 64	10	Transfer of the Sheffield City Region Comined Authority (SCRCA) Passenger Transport Fund to the Greater Manchester pension Fund effective 1.4.17	Whilst this relates to the PTF rather than SYPA there is nonetheless a potential reputational impact if this is not well managed by SYPA officers.	Fund Director	Project Magpie has been set up by GMP supported by Hymans (Actuary) and the Head of Pensions is a member of the project team. Consultation is currently underway via DCLG expecting to confirm the transfer, retrospectively, from 1.4.17 with some months of post transfer transition.	6	.....	6	.....	Maintain as standing item on SMT Head of Pensions a member of the project team and reports to SMT Head of Investments engaged as required on asset transfers. Head of Finance exercises oversight of financial implications.	Fund Director/ Head of Pensions / Head of Investments/ Head of Finance	↑	Complete	Completed and will be removed from the next report
	11	The MiFID II (Markets in Financial Instruments Directive) arrangements are somewhat complex European driven changes which could impact adversely on all LGPS funds.	The changes are currently set to take effect from 3 January 2018, part of a process of harmonising regulations for investment services across market operations in the European Economic Area. The main issue that funds could face is a re-classification from 'per se professional' to 'retail' client status. Funds could see significant restrictions on their investment activities as retail clients e.g. in terms of the types of investment funds and asset classes which they could invest in.	Fund Director	The Financial Conduct Authority (FCA) is the body responsible for implementing the requirements in the UK, in the context of the EU and UK regulatory frameworks. Funds will however, have the opportunity to "opt-up" to 'elective professional client', i.e. professional client status. The FCA believes that the ability to access financial markets will not be fundamentally affected by broader changes if classified as a professional client. The specific procedure for opting-up will include both qualitative and quantitative assessments	6	.....	6	.....	There are no immediate financial consequences for the Fund. BCPP officers working with the FCA and others to forge an acceptable way forward for the operation of LGPS funds within MiFID II is crucial to future operating practices. Opt up process to be reported to Investment Board 14.9.17	Fund Director / Head of Investments	↑	Complete	Completed and will be removed from the next report
	12	he implementation of the General Data Protection Regulations (GDPR) in May 2018.	The GDPR will impact on the way that we can lawfully collect, use, retain and share information about members. With new duties to report breaches and the potential for significant financial penalties it is important to ensure that we are ready to comply with the GDPR.	Fund Director	We are compliant with the current Data Protection Act with regard to data security and staff awareness. However under GDPR all our current data sharing agreements must be reviewed and we also need to advise scheme members of their privacy rights and the possibility of them requesting that cease to hold aspects of their personal data. IT security is also being enhanced.	2	P - H F - M OI - M	5	P - VL F - M OI - M	A project team is now in place including members from all parts of the organisation. A detailed project plan is being created and work has begun with regard to the steps that need to be taken	Head of Pens Admin	↔	31/03/2018	IT Staff have gained GDPR Qualifications. Data Protection Officer Support from BMBC. Regular reports to the authority. Member and LPB training being organised.
	13	Maintaining a fully funded position so far as possible	The actuary has reported a fully funded position as reported to the Investment Board in September 2016. The aspiration is to maintain this position at the 2019 valuation with a view to reducing planned deficit recovery contributions.	Fund Director	An equity protection strategy is being prepared and planned to be in place by January/February 2018	3	P - L F - H OI - H	5	P - VL F - H OI - H	Update reports to Investment Board December 2017 re preferred protection strategy	Fund Director / Head of Investments	↔	31/03/2018	Strategy approved by Investment Board December 2017. Expected to be implemented February 2018

Key to risk change indicators

Key:P = ProbabilityF = Financial ImpactOI = Other ImpactsVL (1) = Very LowL (2) = LowM (3) = MediumH (4) = HighVH (5) = Very High



xxx Risk Register - Risk Assessment Details

Probability				
Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Less than a 5% chance of circumstances arising OR Has happened rarely / never	5% to 20% chance of circumstances arising OR Only likely to happen once every 3 or more years	20% to 40% chance of circumstances arising OR Likely to happen in the next 2 to 3 years OR Risk seldom encountered	40% to 70% chance of circumstances arising OR Likely to happen at some point in the next 1 to 2 years OR Risk occasionally encountered	More than a 70% chance of circumstances arising OR Potential occurrence OR Risk frequently encountered
Other Impacts				
Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Insignificant injury AND / OR Near miss, no damage incurred to Authority assets - Minimal or no effect on the achievement of Authority objectives AND / OR Minimal or no effect on the delivery of Service objectives - Little disruption to the delivery of services - Very confident the risk can be improved AND / OR Very achievable objective Very easily influenced Very tolerable / easy to accept - Insignificant environmental damage - Insignificant Reputational damage AND / OR No internal coverage / no social media attention	Minor injury - Little effect on the achievement of Authority objectives AND / OR Little effect of the delivery of Service objectives - Some disruption to the delivery of services - Confident the risk can be improved AND / OR Achievable objective Easily influenced Tolerable - Incident occurred, minor damage incurred to Authority assets - Minor damage to the immediate local environment - Minimal damage to Reputation (minimal negative coverage in local press) AND / OR Minimal internal negative coverage / minimal social media attention	Threat of violence or serious injury - Partial failure to achieve Authority objectives AND / OR Partial failure to achieve Service objectives - Significant disruption to the delivery of services - Moderate confident that the risk can be improved AND / OR Possible to achieve objective Able to influence Somewhat tolerable - Some damage incurred to Authority assets - Moderate damage to the immediate or wider local environment - Significant negative coverage in the local press or minimal negative coverage in regional press AND / OR Some internal negative coverage / some social media attention	Extensive multiple injuries - Significant impact on achieving Authority objectives AND / OR Significant impact on achieving Services objectives - Loss of critical services for more than 48 hours, but less than 7 days - Little confidence the risk can be improved AND / OR Unachievable objective Difficult to influence Out of tolerance but possible to accept - Significant damage incurred to Authority assets - Major damage to immediate or wider environment - Significant negative coverage in regional press AND / OR Significant internal coverage / significant social media attention	Fatality or multiple major injuries - Non-delivery of Authority objectives AND / OR Non-delivery of Service objectives - Loss of critical services for over 7 days - Very little confidence that the risk can be improved AND / OR Totally unachievable objective Very difficult to influence Out of tolerance - AND / OR Total loss of Authority assets - Significant damage to immediate or wider environment - Extensive negative coverage in national press and TV AND / OR Extensive internal coverage / Extensive social media attention
Financial Impact				
Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
< 1% of budget OR Up to £100,000	1% - 5% of budget OR Up to £250,000	6% - 10% of budget OR Up to £1m	11% - 20% of budget OR Up to £5m	> 20% of budget OR Over £5m

IMPACT

5 Very High	5	2	1	1	1
4 High	5	3	2	1	1
3 Medium	5	5	4	2	2
2 Low	6	5	5	4	3
1 Very Low	6	6	5	5	5
	1 Very Low	2 Low	3 Medium	4 High	5 Very High
	PROBABILITY				

Risk Score	RAG Rating
5 - 6	Green
3 - 4	Amber
1 - 2	Red

A '5X5' Risk matrix covering **Probability** and **Impact** (including 'Financial' and 'Other Impacts' is used when assessing the level of Risk.

This analysis should be undertaken by Managers and Supervisors **with experience in the area in question.**

The Risk 'Score' is identified by considering the probability of the event occurring, and the highest recorded impact of the risk, should it manifest.

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