

Public Document Pack

NOTICE OF AUTHORITY MEETING

You are hereby summoned to a meeting of the South Yorkshire Pensions Authority to be held at the offices of the South Yorkshire Joint Secretariat on Thursday 26 July 2012 at 10.00 am for the purpose of transacting the business set out in the agenda.

M V Oades
Deputy Clerk and Monitoring Officer

Member Services Officer: Len Cooksey
Tel: 01226 772848 Email: lcCooksey@syjs.gov.uk

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Distribution

Councillors M Lawton (Chair), R Wraith (Vice-Chair), D Baker, E Butler, R Ford, K Goultly, B Lodge, C McGuinness, B Perrin, L Rooney, A Sangar and P Wootton

Contact Details

For further information please contact:

<p>Gill Garrety South Yorkshire Joint Secretariat 18 Regent Street, Barnsley, South Yorkshire S70 2HG</p> <p>Tel: 01226 772806 ggarrety@syjs.gov.uk</p>	<p>Len Cooksey South Yorkshire Joint Secretariat 18 Regent Street, Barnsley, South Yorkshire S70 2HG</p> <p>Tel: 01226 772848 LCooksey@syjs.gov.uk</p>
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SOUTH YORKSHIRE PENSIONS AUTHORITY

26 JULY 2012 AT 10.00 AM AT THE OFFICES OF THE SOUTH YORKSHIRE JOINT SECRETARIAT, 18 REGENT STREET, BARNSELY

Agenda: Reports attached unless stated otherwise

	Item	Page
1	Apologies	
2	Announcements	
3	Urgent Items To determine whether there are any additional items of business which by reason of special circumstances the Chair is of the opinion should be considered at the meeting; the reason(s) for such urgency to be stated.	
4	Items to be considered in the absence of the public and press. To identify items where resolutions may be moved to exclude the public and press. (For items marked * the public and press may be excluded from the meeting).	
5	Declarations of Interest.	
6	Authority Governance Arrangements	1 - 16
7	Appointment of Clerk and Treasurer	To Follow
8	Local Government Pension Scheme: Proposed Changes from 2014 Seminar	17 - 18
9	Annual Review of the Risk Management Policy and the Corporate Risk Register	19 - 28
10	South Yorkshire Pension Fund Annual General Meeting 2012	29 - 30

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SOUTH YORKSHIRE PENSIONS AUTHORITY

26 July 2012

Report of Clerk and Treasurer

AUTHORITY GOVERNANCE ARRANGEMENTS

1) Purpose of the Report

To provide Members with proposals for the rearrangement of Authority meeting structures and decision-making procedures.

2). Recommendation

Members are asked to accept the proposals contained in the report.

3) Background Information

- 3.1 I presented to the last meeting of the Authority a paper putting forward options for consideration regarding the governance structure of the Authority. For some time Members have expressed concern that the current position is not wholly satisfactory. The aim of the current arrangement was to create continuity through the two Boards to deal with the technical and detailed issues allowing the Authority to deal solely with strategic policy and scrutiny issues. In practice, however, this had led to an imbalance between the work programmes of the Authority and the two Boards because a lot of the work has fallen on the two Boards. As a consequence, Members have expressed concerns over the length of the Board agendas.
- 3.2 Members have been considering for some time how the situation could be improved and in June received a paper which put forward a couple of alternative structures for comment. Various observations were made before the matter was referred back to officers for further work. Fresh discussions have taken place between officers and the Chair and Vice Chair and this paper sets out a new proposal for Members to consider.
- 3.3 Members appreciate that it is very difficult to come up with alternative schemes which address all the identified issues and yet remain workable. It has to be borne in mind when altering the structure of any organisation that the new arrangements have to be serviceable given the limited resources available.
- 3.4 There is not a great deal of difference between this suggestion and those put forward last month but given the complexity of the task this is, perhaps, not unexpected. It is not as though the present structure does not function: rather it needs to be improved. Bearing in mind the governance implications that

might arise from the implementation of the 2014 LGPS it is probably prudent to limit any changes to evolutionary ones rather than revolutionary ones.

4) Way forward

4.1 The proposal keeps the present Authority and two Board structure but alters the frequency and timing of meetings. The Authority will continue to meet four times per year and to concentrate upon strategy and scrutiny but with the latter receiving more attention. Time has been allotted for more formal reviews of policies and procedures. In addition, each Authority meeting will receive a report from the Chair and Vice Chair of each Board on the issues discussed by their respective Boards. Member training and self-assessment will become a formal responsibility of the full Authority and will be monitored at Authority level.

4.2 It is intended that a training session, be it internally or externally presented, will be held on the same day as an Authority meeting. It had been suggested that presentations currently received by Boards be transferred instead to full Authority meetings. However, some of these presentations are not suitable for webcasting and those with an investment theme would require advisor attendance. Inevitably there will be an increase in cost associated with additional advisor input. Furthermore, in order to keep the integrity of the Board's decision-making process any matters arising from those presentations would still need to be referred back to the relevant Board for action. Accordingly, it is suggested that those sort of presentations continue to be included within Board agendas. Potential topics for training could include, for example:-

Early Retirement Financing
Dispute & Complaint Resolution
Explaining an Actuarial Valuation
National Fraud Initiative
Infrastructure investment
Employers' Service Level Agreements (Data & Data Flows)
Principles of responsible investment

4.3 The Corporate Planning and Governance Board will continue to be responsible for audit and pension administration matters but will operate to a split agenda. In other words, the first half of each meeting will concentrate on pension administration matters and the second half will operate as an audit committee. This should make business easier to manage and clearer to follow. Although there may be occasions when the Board will only consider audit or pension administration matters the provisional schedule avoids this. The Board should meet as and when timetabling arrangements require it to rather than strictly quarterly. It is suggested that the Board should receive occasional internal team presentations focusing upon particular aspects of Pensions Administration work.

4.4 It is suggested that the Investment Board continues to hold four meetings to discuss every day management issues: however, it might also hold an additional meeting(s) to discuss strategic matters. Presentations from external managers or advisors would be incorporated into Board agendas. Again, it is suggested that there should be occasional internal team presentations focusing upon particular aspects of Investment Division work.

- 4.5 I have expressed concern before to Members about the current practice whereby the investment advisors meet with Members on Board days prior to each Board meeting, without any officers of the Authority present. I would suggest that at least one of the Authority's statutory officers (not an investment team member) ought to be in attendance so that the decision making process is transparent. Some alternative suggestions would be that the current time allotted to this session, one hour, be cut in half leaving more time for discussion within the Board meeting itself; that there could be a further informal session between Members and investment officers; that any matters arising out of the closed session be formally reported to the Board meeting.
- 4.6 The suggestion that the present position whereby the Chair of the Authority chairs the Investment Board and the Vice Chair of the Authority chairs the CP&GB be formalised remains: similarly, it is proposed that each should be made the formal deputy on the other board. In other words, the Vice Chair of the Authority becomes the Vice Chair of the Investment Board and will be expected to attend Investment Board meetings. It should be noted that to follow Audit Commission and CIPFA advice the Chair of the Audit Committee should not normally be the Chair or Vice-Chair of the full Authority. However, the District Auditor has been content for the Audit Committee role to remain within CPGB and be chaired by the Vice Chair.
- 4.7 There is an argument that a mechanism be created for the making of quick and/or emergency decisions between Authority and Board meeting cycles. The Management Committee, consisting of s41 spokespersons, carries out this function now and it is suggested that it be continued. Such a Committee might also act as an Appeals Committee to consider staff matters, for example.
- 4.8 It has to be emphasised that there is nothing within these proposals to prevent additional meetings being called as and when necessary. An example of this is the proposed day of discussion on the LGPS 2014 arrangements.
- 4.9 If this proposal is accepted the existing Terms of Reference of both the Authority and the Boards will need to be redrawn.
- 4.10 It is recognised that the above suggestion does not address all the issues raised during previous discussions but it appears to be a reasonable compromise. It does tighten up the distinction between the Authority and its Boards and reinforces the Authority's scrutiny role. Given that the governance proposals that might arise out of the re-structuring of the 2014 LGPS are not yet known (e.g. the potential for a statutory requirement of having stakeholder nominees in a decision making position on the administering Authority) it is suggested that adopting this way forward will leave the Authority in a better position to address them when they are announced.
- 4.11 The attached appendices show stylised representations of how the proposals will work. Members will note that there will be months when there will be more than one meeting and some when there will be none. The appendices outlining which reports should go to which meeting are only meant to be illustrative and are not comprehensive; they merely give an indication of the

range of topics to be considered. It is accepted that there will be additional topics to be discussed (often at short notice) and given the workload that will stem from the consultation over the implementation of the 2014 LGPS and the 2013 actuarial valuation these could be many.

5) Implications

5.1 Financial

There may be financial implications associated with the proposal arising out of increased officer input and more reporting. Additional meetings and greater advisor attendance will involve an increase in costs.

5.2 Legal

There are no known legal implications.

5.3 Diversity

There are no diversity implications.

5.4 Risk

The Authority needs to be in a position to monitor and respond to changes that affect the working of the Authority and be seen to be operating effectively. There is an unquantifiable reputational risk associated with failing to do so.

W J Wilkinson
Clerk and Treasurer

Officer responsible:

John Hattersley, Fund Director
Tel: 01226 772873

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: None

Suggested timetable cycle

January Authority	February Investment Board	March Authority CPGB	April	May Investment Board CPGB	June Authority CPGB
Budget if necessary	LAPFF Minutes LAPFF Conference Comm Prop Man Headroom Limits SIP Currency Hedging Qtly Report Corporate Bond Pres	Treasury Management Strategy FSS Annual AVCs Review Qtly Perf Framework Training session Full list of reports attached		LAPFF Minutes Voting Guidelines SES Responsible Inv. Currency Hedging Securities Class Act Qtly Report Comm Prop Pres Full list of reports attached	Ann Auth Meeting Review of Standing Orders etc Review of Members training Qtly Perf Framework Training session Full list of reports attached
July CPGB	August	September Authority Investment Board	October Authority	November CPGB Authority	December Investment Board
Full list of reports attached		LGPS 2014: full day presentation LAPFF Minutes LAPFF Conference Currency Hedging SLI H&S Report Qtly Report WM Presentation	Annual Report Qtly Perf Framework FoIA Annual Report FoIA Pub Scheme Training session	Qtly Perf Framework Budgets & Revised Estimates Risk Register Review Annual Fund meeting Training session Full list of reports attached	LAPFF Minutes IIGCC Renewal IIGCC Annual Rep Qtly Report

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Suggested Authority Meeting Timetable

January	[Authority] budget if necessary
February late	Investment Board
March	Authority CPGB
April	
May	Investment Board CPGB
June	Authority CPGB
July	CPGB
August	IB Meeting with the Advisors in London
September	Investment Board
October	Authority
November	CPGB Authority
December	Investment Board

Authority meetings in 2012 were: January, February, April, June, October and November

CPGB meetings in 2012 were: February, March (special meeting for Audit report)
May, July and November

IB meetings in 2012 were: March, May, July (London meeting with Advisors),
September and December

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Pensions Suggested Meeting Dates 2012/13

September 2012

- 20th Investment Board (already arranged)
- 28th LGPS 2014 Presentation (already arranged)

October 2012

- 11th Authority (already arranged)

November 2012

- 15th CP&GB
- 22nd Authority

December 2012

- 13th Investment Board

January 2013

- 17th Authority

February 2013

- 28th Investment Board

March 2013

- 14th CP&GB
- 21st Authority

May 2013

- 16th CP&GB
- 23rd Investment Board

June 2013

- 13th Authority (Annual Meeting)
- 20th CP&GB

Currently none of the above dates clash with District Council Meetings.

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Authority Standard report cycle

March

S41 Feedback
Board Chairs report
Treasury Management Strategy
FSS
AVCs Annual review
Pensions Advisory Panel feedback
Quarterly Performance Framework (QPF)
Write offs

Training session

June – AGM and Ordinary meeting

S41 Feedback
Board Chairs report
Review of Standing Orders
Review of Financial Regulations
Members Self-Assessment
Review of external advisors
Review of Corporate Strategy
Review of Members' Training Policy
QPF
Pensions Advisory Panel feedback

Training Session

October

S41 Feedback
Board Chairs report
Annual Report
FoIA Annual Review
FoIA Publication Scheme
QPF
Pensions Advisory Panel feedback

Training session

November

S41 Feedback
Board Chairs report
Budget and revised estimates
Risk register review
LGPS Data update
Annual Fund Meeting
QPF
Pensions Advisory Panel feedback

Training session

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Investment Board: standard report cycle

February

LAPFF Meeting minutes
LAPFF Annual Conference
Headroom limits
SIP renewal
Commercial Property Management
Currency hedging
Quarterly Performance Report (Oct-Dec)

Corporate Bond presentation

May

LAPFF Minutes
Voting Guidelines
Shareholder Engagement Statement
Responsible Inv update
Securities Class Actions
Currency hedging
Quarterly Performance Report (Jan-Mar)

Internal team presentation

Commercial Property Presentation

September

LAPFF minutes
LAPFF Conference
Commercial Property H&S
Currency hedging
Quarterly Performance Report (Apr-June)

WM presentation

December

LAPFF Minutes
IIGCC Ann Report
IIGCC Renewal
Currency hedging
Quarterly Performance Report (July-Sept)

Internal team presentation

Theme presentation

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Corporate Planning and Governance Board: standard reports cycle

March

Audit

Budget Monitoring (October-December)
Risk Management (risk register)
Internal Audit Progress Report Q3
Internal Audit Strategy and Annual Plan (MW)
Outstanding Internal Audit Recommendations
Audit Commission Draft Audit Plan

Pensions Admin

Draft LGPS (Misc) Regulations
Local Gov. Discretionary Injury Allowance Report
Employer SLA Performance and Outstanding Workload
Consultation & Communication Results and Issues – Employers Forum Survey
Internal team presentation

May

Audit

Budget Monitoring (January-March)
Risk Management
Audit Commission Annual Plan 2012/2013
Audit Commission Annual Plan 2013/2014
Audit Commission Progress Report 2012/2013
Audit Commission Annual Fee 2013/2014
Internal Audit Progress Report Q4
Internal Audit Outstanding Recommendations
Internal Audit Annual Report
Treasury Management Update Report
Approve Annual Governance Statement
CPGB Audit Committee Functions Draft Annual Report
Review of Governance Arrangements
Member and officers training strategies

Pensions Admin

Employer SLA Performance and Outstanding Workload
Consultation and Communication Results and Issues

June

Audit

Risk Management
*Approve Annual Governance Statement if not approved in May

Pensions Admin

Annual Review of Ill Health Retirements and Review of Appeals
Communications Strategy Update
Annual Review of SLA Performance

July

Audit
Risk Management
Budget Monitoring (April-June)
Final Accounts 2012/2013
Letter of Representation
Audit Commission Annual Governance Report
Internal Audit Progress Report Q1
Contracts let annual report

Pensions Admin
Employers SLA Performance and Outstanding Workload
Consultation and Communication Results and Issues
Internal team presentation

November

Audit
Budget Monitoring (July-September)
Risk Management
Internal Audit Progress Report Q2
Annual Audit Letter
Annual Anti-Fraud and Corruption Strategy
Statement on Internal Control Investment Mandate
Outstanding Internal Audit Recommendations
Treasury Management Update Report
European Withholding Tax

Pensions Admin
Employers SLA Performance & Outstanding Workload
Consultation & Communication Results

SOUTH YORKSHIRE PENSIONS AUTHORITY

26 JULY 2012

Report of the Clerk and Treasurer

LOCAL GOVERNMENT PENSION SCHEME: PROPOSED CHANGES FROM 2014 TRAINING SEMINAR

1) Purpose of the Report

To advise Members that an all day seminar about the proposed changes to the Local Government Pension Scheme from 2014 has been arranged.

2) Recommendation

Members are asked to note the date, time and venue of the seminar.

3. Information

3.1 As Members are aware the trades unions and the Local Government Association have agreed proposed changes to the structure of the Local Government Pension Scheme to be implemented with effect from 2014. The government has broadly welcomed the proposals and is likely to go out to formal consultation shortly. Members received a verbal update on them at the last meeting of the Authority.

3.2 Given the significance of the changes and the effect they will have on all Fund members and employers and the tight deadlines and timescales involved it is appropriate to inform Members as quickly as possible of the likely consequences for the Fund.

3.3 Accordingly, an all day seminar has been arranged for Friday 28 September at 10.30 am at these offices on the proposals. It is hoped that presentations will be made by the Fund's consulting actuary, Mercers, on both the actuarial aspects of the proposals (including possible changes to employer and employee contribution rates) and the possible effects on liability profiles of the LGPS etc and on the potential need to review and revise Fund investment strategy in the light of these changes.

3.4 It is planned to invite representatives from the district councils and the Fund's independent investment advisors to the meeting.

3.5 A light buffet lunch will be served.

4) Implications

4.1 Financial

There is provision within this year's budget to hold the event.

4.2 Legal

There are no legal implications.

4.3 Diversity

There are no diversity implications.

4.4 Risk

There are no risk implications.

W J Wilkinson
Clerk and Treasurer

Officer responsible:-

John Hattersley
Fund Director

Telephone contact 01226 772873

Background papers used in the preparation of this report are available at the Authority's offices.

SOUTH YORKSHIRE PENSIONS AUTHORITY

26 July 2012

Report of the Clerk and Treasurer

ANNUAL REVIEW OF THE RISK MANAGEMENT POLICY AND THE CORPORATE RISK REGISTER

1. Purpose of the Report

To review the Authority's Risk Management Policy and the Corporate Risk Register.

2. Recommendations

Members are recommended to:

- (a) review the Risk Management Policy attached at Appendix A and to readopt it with the revisions highlighted in red; and**
 - (b) consider the Corporate Risk Register attached at Appendix B to the report.**
-

3. Risk Management Policy

- 3.1 The current Risk Management Policy was agreed by the Authority in April 2010. The Policy does not address detailed risk management processes, which by their nature may need more regular revision. Since April 2010 processes have been fully documented in the Risk Management Handbook which is aimed at officers and their operational needs.
- 3.2 In accordance with good practice the Authority has agreed to review the Risk Management Policy on an annual basis. Save for some minor revisions to reflect current job titles and the policy owner, the Policy continues to be relevant and fit for purpose. Members are therefore recommended to readopt the Policy with these changes, which are highlighted in red on the copy of the Policy attached at Appendix A.
- 3.3 **Risk Management Audit.** Testing carried out by Internal Audit earlier this year has provided positive assurance across all areas tested and that the current risk process is working well.

4. Corporate Risk Register

- 4.1 The Corporate Risk Register is updated by the Pensions Officer Planning Group and is presented to each meeting of the Corporate Planning Board. The Board is responsible for ensuring that officers develop and implement an effective framework for risk management and report significant risks on a regular basis.
- 4.2 The Risk Register is presented to the Authority on an annual basis to inform policy development. A copy of the current register is attached at Appendix B to this report.
- 4.3 Risk No. 6 – *Future Changes to the Local Government Pension Scheme (LGPS)* is the only risk identified on the Register that has a High residual risk rating. Members are receiving updates as information becomes available and a full day's presentation on the new Scheme proposals is planned later in the year.
- 4.4 Members are asked to review the Risk Register and to take account of the risks identified when they review the Authority's Corporate Strategy.

5. Implications and risks

- 5.1 There are no financial, legal or diversity implications arising from this report.

W J Wilkinson
Clerk and Treasurer

Officer responsible: Maureen Oades, Deputy Clerk and Monitoring Officer

01226 772856 mvoades@sypa.gov.uk

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: None

PART 6c - RISK MANAGEMENT POLICY

Date Approved:	2006
Date Revised:	November 2009; April 2010; confirmed April 2011
Date of Next Review:	March 2012 July 2013
Owner:	R Elvin / Corporate Strategy Deputy Clerk and Monitoring Officer

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- 3.3 Clerk and Treasurer
- 3.4 Pensions Planning Group
- 3.5 Strategic Risk Owners
- 3.6 Functional Teams
- 3.7 Internal and External Audit

Section 1- Overview

- 1.1 Risk Management is central to any organisation's strategic management and is a fundamental element of good Corporate Governance. It is a means of maximising opportunities and minimising the costs and disruption caused by undesirable events. The internal control arrangements of an organisation should have the management of significant risks as a principal aim and should link all policies and procedures, which taken together support its effective and efficient operation and enable it to respond to significant business, operational, financial and other risks.
- 1.2 The South Yorkshire Pensions Authority ("the Authority") recognises that they have a responsibility to ensure that there is an effective framework in place for managing risk and maximising opportunity. Such a framework is an enabler for control of the Authority's assets and liabilities and protection of employees and the community against potential losses. It also helps to minimise uncertainty in achieving its goals and objectives.
- 1.3 The Authority must be satisfied that there are sound systems of internal control for the management of risk in place.

Section 2 – Aims, Objectives, Approach and Benefits

2.1 The key aims of the strategy are to ensure that the Authority:

- Meets specified governance requirements
- Realises the Business Benefits of formal Risk Management processes

2.2 Key objectives are to:

- Further integrate risk management into the culture of the Organisation ("the Organisation" refers to the Pensions Administration Division, the Pensions Investment Division and the South Yorkshire Joint Secretariat).
- Manage risk in accordance with best practice and adhere to national guidance
- Minimise loss, disruption, damage and injury and reduce the cost of risk, thereby maximising resources
- Protect the Authority's assets
- Anticipate and respond to changing political, economic, sociological, technical, environmental, legal and organisational requirements
- Exploit opportunities
- Preserve and enhance the effectiveness of service delivery
- Inform policy and operational decisions by identifying risks and their likely impact
- Protect the corporate image and reputation of the Authority
- Maintain effective stewardship of the Authority's funds and demonstrate good corporate governance

2.3 Approach – the Authority will achieve these objectives by:

- Approving this Risk Management Policy and keeping it under review
- Ensuring that appropriate resources are allocated to risk management activities
- The Clerk and Treasurer establishing and maintain the risk management framework identified in this Policy
- Embedding the Risk Management Process as outlined in this Strategy document.

- Establishing clear roles and responsibilities for all stakeholders
- Providing risk management training and awareness sessions to Members and Officers
- Fully integrating risk management into the organisation's management processes e.g. Planning process, Business Continuity, Partnership arrangements, Financial Planning
- Actively maintaining awareness of current best practice via other organisations, publications and networking

2.4 Benefits expected:

- A framework for consistent and controlled activity
- Improved decision making, planning and prioritisation through structured understanding of business activity and associated threats / opportunities
- An aid to appropriate allocation of funding and resources
- Protection of assets and the organisation's image / reputation
- Helps to optimise operational efficiency
- Helps to develop and support people and the organisation's knowledge base

Section 3 – Governance – Risk Management Roles & Responsibilities

3.1 Pensions Authority

Role:

- To ensure that a comprehensive approach to risk management is developed and implemented by the authority
- To oversee the effective management of the Authority's risks by the Organisation; and
- To approve the Authority's risk strategy.

Responsibilities:

- Helps to develop and support people and the organisation's knowledge base
- To gain a broad understanding of risk management and its benefits;
- To challenge officers to ensure that risks are considered and documented in all reports.
- To consider the Corporate Risk Register on an annual basis to inform the annual review of the Strategic Plan

3.2 Corporate Planning and Governance Board

Role:

- To oversee the development of the Authority's Risk Register;
- To oversee the effective management of risks by officers by receiving and considering quarterly monitoring reports on risk from officers; and
- To get involved in the identification of high level, strategic risks.

Responsibilities:

- To require officers to develop and implement an effective framework for risk management; and
- To require officers to report significant risks on a regular basis.

3.3 Clerk and Treasurer

Role:

- To support and develop the risk management culture of the Authority and the Organisation;
- To develop and maintain a risk management framework within the Organisation; and
- To report to the Authority periodically on the operation of the risk management framework.

Responsibilities:

- To ensure there is a written strategy in place for managing risk;
- To ensure the Organisation has clear structures and processes for risk management which are successfully implemented;
- To ensure the Organisation has developed a corporate approach to the identification and evaluation of risk which is understood by all staff;
- To ensure the Organisation has well defined procedures for recording and reporting risk;
- To allocate resources for the maintenance of the Authority's risk register
- To ensure that regular reports are presented to the Authority (or Boards as appropriate) of significant risks facing the Authority;
- To provide advice on the risk implications of any decisions Members of the Authority are required to make;
- To ensure there are well-established and clear arrangements for financing risk;
- To ensure the Organisation has developed a programme of risk management training for relevant staff; and
- To ensure that Members receive sufficient and appropriate information and training on risk management.

In discharging these responsibilities the Clerk and Treasurer is supported by the ~~Assistant Treasurer and the Fund Manager~~ **Fund Director and Head of Pensions Administration** and senior officers of the Joint Secretariat. Risk management is a standing item on the monthly meetings of the Pensions Planning Group, which is chaired by the Clerk and Treasurer.

3.4 Pensions Planning Group

Role:

- To develop, maintain and oversee risk management and reporting within the Organisation; and
- To maintain the Authority's Risk Register.

Responsibilities:

- The identification and evaluation of significant risks that should be reported and monitored at a corporate level;
- The registration of key risks on Authority's Risk Register; the register to be maintained and updated by the Risk Co-ordinator appointed by the Clerk and Treasurer; and
- Action planning to mitigate the impact of risks on the achievement of the Authority's objectives.
- Ensure that risk controls and scores are reviewed on a regular basis by the functional teams.
- To identify "risk owners" for the significant risks who will be responsible for managing the risk and ensuring that the actions identified to mitigate the risk are carried out.
- To produce and regularly update the Risk Management Handbook as a guide for individuals involved in the process and will also act as a source of information for all staff (i.e. induction/training aid).

3.5 Strategic Risk Owners

- To complete all actions identified by the Pensions Planning Group.
- To report to the Pensions Planning Group on progress of work on the actions to mitigate the risk.

3.6 Functional Teams

The Functional Teams within the Organisation will be responsible for:

- Identifying the operational risks to the achievement of the Authority's objectives;
- Evaluating those risks, prioritising them and recommending the appropriate action to the Pensions Planning Group;
- Notifying significant risks identified by their Teams to the Pensions Planning Group;
- Monitoring all operational risks on Team Risk Registers.
- Undertaking a regular review of risk controls and scores for all current risks.
- Providing guidance and training for staff on risk awareness.

3.7 Internal and External Audit

- The risk management process will be subject to both Internal and External Audit. Activity will be co-ordinated to avoid duplication.
- Internal Audit will provide advice on risk management processes.
- Internal Audit will review the risk registers on an annual basis and incorporate risk areas into the Internal Audit Plan as appropriate.

Risk No.	Date Raised	Bow Tie / RRAF Number	Risk (Threat to achievement of the business objective)	Current Risk Owner	Original Risk [No controls in place]			Control Measures	Residual Risk [Control measures implemented]		
					Impact (1 - 4)	Likelihood (1 - 4)	Risk Rating		Impact (1 - 4)	Likelihood (1 - 4)	Risk Rating
1	Jan 2010		MEMBERS KNOWLEDGE & EXPERTISE; PROCESSES • Members do not acquire appropriate knowledge and expertise to discharge their responsibilities	Pension Planning Group	3	3	MEDIUM	CONTROL MEASURES IN PLACE Induction training provided or new Members. Members attend LGPS 3 day fundamentals training course. Periodic awareness presentations delivered to Members. October 2011 the Authority approved a performance self assessment framework for Members and Chairs. The annual findings will assist in identifying learning and development requirements. CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills came into effect April 2012. June 2012 Members agreed new training regime.	2	2	LOW
2	2006/07		LOSS OF KEY STAFF Loss of key staff i.e. Clerk and Treasurer, Head of Pensions Administration, Fund Director/Head of Service impacting upon people, reputation, continuity of operations and targets.	Clerk and Treasurer	3	4	HIGH	CONTROL MEASURES IN PLACE Training of staff. Sharing of information. Use of minutes and central resources to keep staff informed. Involvement in all issues of management teams to ensure continuity, management group and policy group meetings. Lack of immediate competitors for recruitment in the industry. Documentation of procedures. Senior Management Structure changed March 2011. Clerk and Treasurer to retire shortly; report on succession arrangements tabled for Authority meeting July 2012.	4	2	MEDIUM
3	2006/07		INACCURATE PAY & CONTRIBUTIONS DATA FROM DISTRICT COUNCILS or DATA NOT PROVIDED IN A TIMELY MANNER.								

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Appendix B

			Operations, Targets and Reputation and Assets Will affect the accuracy and production of the valuations and the information given to employees and pensioners.	Clerk and Treasurer / Head of Pensions Admin	3	3	MEDIUM	CONTROL MEASURES IN PLACE Section 41/District Officer and member monitoring meetings established Regular report on progress to Corporate Planning & Governance Board, and standard item on SY Treasurers Association with practioner officer working group established. I-Connect being investigated as a possible long term solution.	2	3	MEDIUM
4	March 2009		GLOBAL ECONOMIC PROBLEMS								
			Fund not immune from volatility of financial markets but strategy based upon allocation determined by liability profile. Pressure on asset values and size of liabilities with consequences for scale of deficit recognised.	Clerk and Treasurer / Fund Director	4	2	MEDIUM	CONTROL MEASURES IN PLACE Protocol in place limiting financial exposure to any single organisation. • Investment advice obtained from professional organisations, including rating agencies. • Detailed contracts in place. Arrangements for interim actuarial valuations and liability checks made if necessary.	2	2	LOW
			SERVICE DELIVERY								
			Financial, People, Reputation, Operational and Strategic Risks Inability to continue providing an effective service; relatively few >55s who might be interested in voluntary redundancy; compulsory redundancy probably necessary to achieve any more budget cuts; impact upon staff morale and motivation; investment staff "savings" would probably impact upon investment returns.	Clerk and Treasurer / Fund Director / Head of Pensions Admin	4	2	MEDIUM	CONTROL MEASURES IN PLACE : Trade union consultation / liaison arrangements well established : SYJS HR function available and willing to discuss any personal concerns over staff issues. Authority indicated support for maintaining present levels of service.	4	2	MEDIUM
6	Sept 2010		FUTURE CHANGES TO LGPS								
			Financial, People, Operational, Strategic, Regulatory Targets Proposals for new LGPS 2014 announced but subject to consultation. Auto-enrolment ongoing. Implications for employers in upgrading systems and communicating with membership applicable to admin authority as well. Consequences of potential opt-out of membership but likelihood less than first feared. Current Corporate Strategy will need to be updated in due course.	Clerk and Treasurer / Fund Director / Head of Pensions Admin	4	4	HIGH	CONTROL MEASURES IN PLACE Ongoing monitoring. FURTHER PLANNED CONTROL MEASURES: Talks between the Government, employers and the unions resulted in proposals for new scheme from April 2014. Out to consultation. Implications for admin authority systems and staff. Member training required. Amended Corporate Strategy will be developed when practicable.	4	4	HIGH

SOUTH YORKSHIRE PENSIONS AUTHORITY

26 July 2012

South Yorkshire Pension Fund Annual General Meeting 2012

1. Purpose of the Report

To advise members about the 2012 Annual General Meeting of the Fund.

2. Recommendations

Members are recommended to note Thursday 11th October for this years AGM.

3. Information

- 3.1 The 2012 Annual General Meeting will be held at the Civic, Barnsley on Thursday 11th October. The meeting will commence at 17.30.
- 3.2 Following the format of previous meetings the AGM will be held during the evening to attract the maximum attendance. A light buffet will be served after the meeting has concluded and transport for Fund members will be arranged to and from the meeting.
- 3.3 The style and format of the meeting will follow last year's event with more time being set for questions. We intend to put an invite in all three newsletters as well as asking members to write in with questions prior to the meeting.
- 3.4 Full details of the meeting will be forwarded to Members closer to the date.

4. Implications and risks

Implications

- Financial - There is a provision within this year's budget to hold the event
- Legal- There are no legal implications
- Diversity -There are no diversity implications

Officer Responsible: Joanne Webster Communications Manager
Telephone contact 01226 772915

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.