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**SOUTH YORKSHIRE
PENSIONS AUTHORITY**

Authorised and regulated by the
Financial Conduct Authority

Steve Pick CPFA
Clerk and Treasurer

18 Regent Street
Barnsley
South Yorkshire
S70 2HG

www.southyorks.gov.uk

To: Members of the Pensions Authority
cc: Appropriate Officers
Press

This matter is being dealt with by: Andrew Shirt
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Dear Member

SOUTH YORKSHIRE PENSIONS AUTHORITY
20 JUNE 2013

Please find enclosed the items marked "to follow" on the agenda for the meeting of the Pensions Authority on Thursday 20 June 2013.

Yours sincerely

Andrew Shirt
Senior Democratic Services Officer

Encs

SOUTH YORKSHIRE PENSIONS AUTHORITY

**10.15 AM AT THE OFFICES OF THE SOUTH YORKSHIRE JOINT
SECRETARIAT, 18 REGENT STREET, BARNSELY**

AGENDA Reports attached unless stated otherwise

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SOUTH YORKSHIRE PENSIONS AUTHORITY

20 June 2013

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 approve the revisions proposed;
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. The Policy continues to be relevant and fit for purpose and thus no substantive amendments are proposed to the Policy. However, some minor drafting amendments are proposed and these are detailed in the copy of the Policy attached at Appendix A.

4. Corporate Risk Register

- 4.1 The Corporate Risk Register is updated by the Officer Planning Group and is presented to each meeting of the Corporate Governance and 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.
- 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. Risk Management Audit.

- 5.1 Internal Audit work programme for 2013/14 includes a risk management audit. The audit will include testing of the actual controls specified on the Authority's risk register and a review of the lower lever Team risk registers. The audit of the arrangements in place in 2011/12 (completed in 2012) provided a positive assurance across all areas tested and that the risk process was working well.
- 5.2 During 2012/13 Internal Audit were able to gain positive assurance about how the process was working from the work of the Officer Planning Group and also reported to the Corporate Planning and Governance Board.

6. Implications and risks

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

S Pick

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; July 2012; <u>June 2013</u>
Date of Next Review:	July 201 4 <u>3</u>
Owner:	Deputy Clerk and Monitoring Officer

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Section 1 - Overview

- 1.1 Risk Management is central to any organisation's strategic management and is a fundamental element of good ~~c~~Corporate ~~g~~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 ~~it has 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 ~~adequate and appropriate 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 ~~b~~Business ~~b~~Benefits of formal ~~r~~Risk ~~m~~Management processes

2.2 Key objectives are to:

- ~~Further i~~**ntegrate risk management into the culture of the Authority and its sister organisation the South Yorkshire Joint Secretariat in so far as SYJS provides services to the Authority. 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 ~~o~~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 ~~A~~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 ~~Authority's Corporate~~ Risk Register on an annual basis and to annually review 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 upon 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 Authority 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 Authority Organisation has clear structures and processes for risk management which are successfully implemented;
- To ensure the Authority Organisation has developed a corporate approach to the identification and evaluation of risk which is understood by all staff;
- To ensure the Authority 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 Authority 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 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 Authority 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 Service response Functional Teams

The Functional Teams within the Organisation Fund Director and his senior colleagues within the Service 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 the Service 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 A~~udit. Activity will be co-ordinated to avoid duplication.
- Internal Audit will provide advice on risk management processes.
- Internal Audit will regularly review the risk registers ~~on an annual basis~~ and incorporate risk areas into its work programme ~~the Internal Audit Plan~~ as appropriate.

Risk No.	Date Raised	Risk (Threat to achievement of business objective)	Current Risk Owner	Original Risk (no controls in place)			Control Measures in Place	Residual Risk (Control measures implemented)		
				Impact (1-4)	Likelihood (1-4)	Risk Rating		Impact (1-4)	Likelihood (1-4)	Risk Rating
1	Jan 2010	<u>MEMBERS KNOWLEDGE & EXPERTISE: PROCESSES</u> Members do not acquire appropriate knowledge and expertise to discharge their responsibilities.	Pensions Planning Group	3	3	MEDIUM	Induction training provided for new Members. Members attend LGPS 3 day fundamentals training course. Periodic awareness presentations delivered to Members. A self-assessment framework for Members and Chairs is in operation but needs to be refined. A Member training programme to comply with CIPFA Code of Practice on Public Sector Pensions Finance Knowledge & Skills being developed.	2	2	LOW
2	2006/07	<u>LOSS OF KEY STAFF</u> Loss of key staff i.e. Clerk & Treasurer, Head of Pensions Admin, Fund Director impacting upon people, reputation, continuity of operations & targets.	Clerk & Treasurer	3	4	HIGH	Training of staff. Sharing of information. Use of minutes & 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. New Clerk & Treasurer appointed September 2012. Awaiting impact of any changes arising from PCC / Combined Auth before assessing whether any other changes desirable.	4	2	MEDIUM

Risk No.	Date Raised	Risk (Threat to achievement of business objective)	Current Risk Owner	Original Risk (no controls in place)			Control Measures in Place	Residual Risk (Control measures implemented)		
				Impact (1-4)	Likelihood (1-4)	Risk Rating		Impact (1-4)	Likelihood (1-4)	Risk Rating
3	2006/07	<u>INACCURATE PAY & CONTRIBUTIONS DATA FROM DISTRICT COUNCILS or DATA NOT PROVIDED IN A TIMELY MANNER</u> Operations, Targets, Reputation & Assets. Will affect the accuracy and production of the valuations and the information given to employees and pensioners.	Clerk & Treasurer/Head of Pensions Admin	3	3	MEDIUM	Section 41/District Officer & member monitoring meetings established. Regular report on progress to Corporate Planning & Governance Board, and standard item on SY Treasurers Association with practitioner officer working group established. External audit aware.	2	3	MEDIUM
4	Mar 2009	<u>GLOBAL ECONOMIC PROBLEMS</u> Fund not immune from volatility of financial markets and economic crisis post 2008/09. Central bank actions distorting markets and bond yields : means costs of liabilities will increase significantly.	Clerk & Treasurer/Fund Director	4	2	MEDIUM	Protocol in place limiting financial exposure to any single organisation. Investment advice obtained from professional organisations, including but not limited to rating agencies. Downgrading of Co-operative Bank credit rating being managed. Detailed contracts in place. Arrangements for interim actuarial valuations and liability checks made if necessary.	2	2	LOW
5		<u>SERVICE DELIVERY</u> Financial, People, 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 & motivation; investment staff "savings" would probably impact upon investment returns.	Clerk & Treasurer/Fund Director/Head of Pensions Admin	4	2	MEDIUM	Trade union consultation/liaison arrangements well established; SYJS HR function available & willing to discuss any personal concerns over staff issues. Authority indicated support for maintaining present levels of service.	4	2	MEDIUM

Risk No.	Date Raised	Risk (Threat to achievement of business objective)	Current Risk Owner	Original Risk (no controls in place)			Control Measures in Place	Residual Risk (Control measures implemented)		
				Impact (1-4)	Likelihood (1-4)	Risk Rating		Impact (1-4)	Likelihood (1-4)	Risk Rating
6	Sept 2010	<p><u>FUTURE CHANGES TO LGPS</u></p> <p>Financial, People, Operational, Strategic Regulatory Targets</p> <p>The new LGPS 2014 announced. First consultation opened but detailed transition and technical criteria awaited. Also governance issues arising from workstream 2 awaited. Abolition of Councillor's eligibility subject to consultation. Auto-enrolment ongoing. Significant implications for employers (incl. admin authority) in upgrading systems and communicating with membership. Public Service Pensions Act and Proposed State Pension Reform also impinge upon longer term viability of LGPS especially as employers' costs look set to increase significantly beyond 2017. Current Corporate Strategy will need to be updated in due course.</p>	Clerk & Treasurer/Fund Director/Head of Pensions Admin	4	3	HIGH	Ongoing monitoring. FURTHER PLANNED CONTROL MEASURES: Broad outlined proposals for new scheme from 2014 published. Out to partial consultation. Implications for admin authority systems and staff. Member training required. Too early to gauge impact of Public Service Pensions Bill/State Pension Reform on LGPS but increased costs to employers and employees of concern. Governance and longer term viability issues signalled.	4	3	HIGH

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SOUTH YORKSHIRE PENSIONS AUTHORITY

20 JUNE 2013

Report of Clerk and Treasurer

MANAGEMENT ARRANGEMENTS AND SCHEME OF DELEGATION TO OFFICERS

1. Purpose of the Report

To update the Scheme of Delegation to Officers part of the Constitution to reflect the changes of job titles of senior officers of the Authority and to amend certain discretionary limits.

2. Recommendations

Members are asked to approve the revised Scheme of Delegation and approve the accompanying Memorandum.

3. Background Information

- 3.1 As Members are aware, changes took place to the senior management structure of the Authority during 2011 partially in anticipation of the retirement of the incumbent Clerk and Treasurer. Part of those changes involved the role of Head of Service, which formerly rested with the Clerk and Treasurer, being absorbed by the Fund Manager with consequences for the then designated posts of Assistant Treasurer, Assistant Fund Manager and Operations Manager. The opportunity was taken to revise the job titles of those posts.
- 3.2 The Scheme of Delegation to Officers forms Part 3 of the Authority's Constitution and in November 2011 minor amendments to the Constitution reflecting title changes were reported but the full document was not presented for approval. As part of the review the opportunity has been taken to update write-off authority limits and to delineate more clearly internal lines of responsibility.
- 3.3 Following requests from external bodies for simplified documentation relating to officer authorisation levels a draft memorandum has been produced which brings together the most common delegations appertaining to the operational requirements of the pension fund. This sheet summarises the existing authorisations only: it does not introduce any new discretions. At the time of writing the outstanding matter is to include the criteria for entering into contracts. It is hoped that this will enable third parties to recognise authorisations in a simple and straightforward way. If Members agree it is intended to present the final version to a future meeting of the Corporate Planning and Governance Board for approval.

4. Implications and risks

4.1 Financial

Other than those referred to there are no financial implications arising out of this report.

4.2 Legal

There are no legal implications.

4.3 Diversity

There are no diversity implications.

4.4 Risk

There are no risk implications.

S Pick
Clerk and Treasurer

Officer responsible:

MV Oades, Deputy Clerk
John Hattersley, Fund Director

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 3 - SCHEME OF DELEGATION TO OFFICERS

Date Approved:	2006
Date Revised:	June 2008; June 2010; June April 2013 2
Date of Next Review:	April 2011 April 2014

SECTION A

1 ADOPTION

- 1.1 This Scheme of Delegation (“the Scheme”) was first approved by the Authority on the ~~[insert date] 12 June 2008~~. It is a key element of the Authority’s internal control arrangements. The Scheme ~~will be is~~ reviewed annually ~~at the Authority’s annual meeting~~.

2 DEFINITIONS AND INTERPRETATION

- 2.1 For the purposes of the Scheme the following expressions shall have the meanings described in this Section.

“Divisions” Means the Investment Division and the Pensions Administration Division.

“Heads of Service” Means the Clerk and Treasurer and the Fund ~~Manager Director and the Assistant Treasurer~~.

Monitoring Officer” Means the Deputy Clerk and ~~Monitoring Officer~~ ~~Solicitor~~

- 2.2 ~~The powers granted under this Scheme to the Clerk and Treasurer, the Fund Manager and the Assistant Treasurer shall unless stated otherwise be exercisable by the deputies indicated below where their office is vacant or they are for any reason unable to act.~~

HEAD OF SERVICE

~~Clerk and Treasurer~~

~~Fund Manager~~

~~Assistant Treasurer~~

DEPUTY (S)

~~Deputy Clerk and Solicitor
Deputy Treasurer~~

~~Assistant Fund Manager~~

~~Principal Pensions Manager~~

- 2.23 A reference to any enactment shall be deemed to include a reference to any amendment or re-enactment of the same.

- 2.34 Any officer can decline to exercise the powers delegated under this Scheme in particular circumstances and refer any such matter to the Authority (or ~~Committee~~ Board ~~or Sub-Committee~~ as appropriate) for decisions or approval.

- 2.45 In the event of any question arising concerning the interpretation and application of this Scheme, the Clerk and Treasurer in consultation with the Monitoring Officer shall determine the issue.

3 COMPLIANCE

3.1 The exercise of any delegated power under this Scheme is subject to:-

- (i) expenditure being within the approved revenue estimates or having received the prior approval of the Authority; and
- (ii) compliance with any relevant statutory enactment; Code of Practice; the Authority's Standing Orders, Financial Regulations and Financial Instructions; and any relevant Authority Plans and Policies.

4 RECORDS

4.1 An officer who has made a decision in accordance with powers delegated under this Scheme shall record the decision in writing and make the record available for inspection as required.

~~5 STANDING ORDERS AND FINANCIAL REGULATIONS~~

~~5.1 The powers delegated to officers under the Authority's Standing Orders and Financial Regulations are listed in Annex 1 to this Scheme. (to insert)~~

~~56~~ PUBLIC INSPECTION

~~56.1~~ Copies of this Scheme, the Authority's Standing Orders and Financial Regulations can be viewed on the Authority's website at www.southyorks.gov.uk. Copies of these documents can also be inspected during the office hours of 10.00 am to 4.00 pm, Monday to Friday at the Authority's offices at 18 Regent Street, Barnsley, South Yorkshire **S70 2HG**.

SECTION B

POWERS DELEGATED TO THE CLERK AND TREASURER

6.7 GENERAL

6.7.1 The Clerk and Treasurer is:-

- (i) the Clerk to the Authority appointed under Section 34(8) of the Local Government Act 1985; and
- (ii) the officer appointed by the Authority to be responsible for the proper administration of the Authority's financial affairs in accordance with Section 73 of the Local Government Act 1985; and
- ~~(iii) the Chief Officer of South Yorkshire Pensions Authority responsible for the staff employed for and on behalf of the Authority.~~

6.2 The Fund Director is the Head of Service for the Divisions: Investments and Pensions Administration.

6.7.32 To facilitate the performance of the roles and responsibilities referred to in paragraph 6.7.1, the Clerk and Treasurer is authorised to discharge the functions and powers listed below in addition to the officers specified in the Sections referred to:

- Section C – Staffing and Conditions of Service in their application to the Fund Director save in respect of matters reserved to the Authority (appointment, grievance appeals, termination of employment and terms of any compromise agreement)
- Section D – Pensions Investment
- Section E – 13. 2 – Pensions Administration

6.4 The Clerk and Treasurer is authorised by the Authority to give a direction in special circumstances that any officer shall not exercise a delegated function in any particular case.

~~powers delegated under this Scheme to specified officers shall be exercisable concurrently by the Clerk and Treasurer. The only exceptions to this general provision are:-~~

- ~~(i) Internal Dispute Resolution Appeals (Nominated Officers Stage 1 Appeal – Principal Pensions Manager; Stage 2 Appeal – Assistant Treasurer;~~
- ~~(ii) Health and Safety Matters – Investment Properties (Fund Manager responsible officer); and~~
- ~~(iii) Monitoring Officer functions (Designated Officer – Deputy Clerk and Solicitor).~~

~~Where the Clerk and Treasurer exercises any delegated powers directly in relation to staff employed by the Authority this may preclude the exercise of the appellate roles delegated to him/her under this Scheme.~~

~~7.3 The Clerk and Treasurer is authorised by the Authority to give a direction in special circumstances that any officer shall not exercise a delegated function in any particular case.~~

78 PROPER OFFICER

78.1 The Clerk and Treasurer is authorised to act as the Authority's Proper Officer for all purposes in relation to:-

(a) The following provisions in the Local Government Act 1972:-

(i) Schedule 12 (meetings and proceedings of local authorities)

- signature of summons to Authority meetings.
- receipt of notices regarding the address to which a summons to meeting is to be sent.

(ii) Section 100(B) (2) (circulation of reports and agendas). (iii) Section 100(B) (7) (c) (supply of papers to the press).

(iv) Section 100(C) (summaries of minutes).

(v) Section 100(D) (1) (a) (compilation of lists of background papers).

(vi) Section 100(F) (2) (papers not open to members).

(vii) Section 115 (accountability of officers)

- responsibility for the receipt of money due from officers

(viii) Section 255 (deposit of documents with proper officer of the Authority etc).

(ix) Section 229 (photographic copies of documents)

- certification of photographic copies of documents.

(x) Section 234 (authentication of documents).

(b) The Clerk and Treasurer is the Authority's Proper Officer for the purposes of Section 2(4) of the Local Government and Housing Act 1989 (deposit of list of politically restricted posts).

78.2 **Deputies**

In the event of the Clerk and Treasurer's office being vacant or if he is absent or otherwise unable to act the following officers are ~~The Deputy Clerk and Solicitor~~ authorised to act as the proper officer for the purposes set out in paragraphs 78.1(a) and (b) except for 78.1(a) vii:

(i) the Deputy Clerk and Monitoring Officer

(ii) the Deputy Clerk/Policy

; and ~~the Deputy~~ Treasurer is authorised to act as the proper officer for all purposes set out in paragraph 7. in all cases, in the event of the Clerk and Treasurer's office being vacant or if he is absent or otherwise unable to act.

89 STAFFING

89.1 The Clerk and Treasurer Fund Director is authorised to:-

- (i) approve regrading applications in consultation with the Head of HR and Business Support following a formal job evaluation process;
- (ii) approve applications for early retirement under the Authority's Selective Early Retirement Scheme in consultation with the Chairman of the Authority; and
- (iii) determine appeals from employees against the imposition of the disciplinary sanctions - recorded oral warnings, written warnings and final written warnings. (Appeals against dismissal are heard by the Management Appeals-Committee).

SECTION C

POWERS DELEGATED TO HEADS OF SERVICE THE FUND DIRECTOR – DELEGATED POWERS

~~9. In discharging the functions conferred by this Section the Fund Director is authorised to nominate one or more officers to act on his/her behalf. The Fund Director shall maintain a record of all nominations.~~

10 STAFFING AND CONDITIONS OF SERVICE

10.1 For all categories of staff ~~for whom they are responsible~~ to determine all matters relating to:-

- (i) the recruitment, selection and appointment of employees;
- (ii) implementation of national and local agreements;
- (iii) all payments to employees;
- (iv) the granting of appropriate increments in career grade and examination success schemes;
- (v) the filling of all temporary vacant posts;
- (vi) the operation of arrangements relating to hours of work, annual and other leave and time off for employees;
- (vii) the training and development of employees;
- (viii) the health, safety and welfare of employees;
- (ix) the operation of procedures relating to consultation;
- (x) payments in respect of damage to, or loss of employees personal property in consultation with the Head of HR and Business Support ~~Support Manager~~;
- (xi) the entering into compromise agreements with employees;
- (xii) the determination of grievances in accordance with agreed procedures;
- (xiii) (a) Suspension and/or disciplinary action, including dismissal of employees in accordance with agreed procedures.
(b) Suspension and/or disciplinary action shall only be taken following consultation with the Head of HR and Business Support (or his/her nominated representative).

~~10.2 Heads of Service may authorise officers under their direction and control to exercise the powers under paragraph 10.1 (i), (v), (vii), (xii) and (xiii). Heads of Service shall maintain a record of authorisations granted under this power.~~

11 GENERAL

11.1 The provision of reasonable and appropriate hospitality for official visitors.

11.2 Approval of the use of purchasing cards in accordance with procedures approved by the ~~Chief~~ Head of Internal Auditor.

SECTION D

PENSIONS INVESTMENT DELEGATED POWERS

12 FUND ~~MANAGER-DIRECTOR~~– DELEGATED POWERS

12.1 (a) In accordance with the Benchmark set by the Authority and, subject to such consultations as the Fund ~~Manager-Director~~ may deem appropriate, the allocation of all monies accruing to the Pension Fund which are not required for payment of benefits for investment in accordance with the approved benchmark and investment policy.~~the following categories of investment:—~~

~~(i) — UK equities.~~

~~(ii) — Overseas equities.~~

~~(iii) — UK fixed interest.~~

~~(iv) — Index-linked bonds~~

~~(v) — Overseas bonds.~~

~~(vi) — Corporate bonds.~~

~~(vii) — Property~~

~~(viii) — Alternative investments.~~

~~(ix) — Cash (including foreign exchange and hedging).~~

(b) To appoint brokers.

(c) Voting execution in accordance with the Authority's agreed policy.

(d) To attend as the Authority's representative at the meeting of any company in which the Authority has a beneficial interest or any meeting of any class of members of such a company as the Authority's representative for the purposes of the Companies Act.

(e) Directorships and Trusts - subsidiary companies/fees

(f) Charging interest under Regulation 44 of the LGPS (Administration) Regulations 2008 on employers or other administering authorities on late payments due under the Fund.

(g) **Property Investment**

The Fund ~~Director Manager~~ is responsible for the management of the Pension Fund Property Portfolio in accordance with the ~~b~~Benchmark set by the Authority and, subject to Contract Standing Orders and Financial Regulations of the Authority, and obtaining appropriate legal advice from the Authority's solicitor(s).
Delegated powers:-

- (i) the negotiation and acceptance of terms for the acquisition and disposal of land and buildings;
 - (ii) the negotiation and acceptance of terms for the granting, renewing, reviewing, varying or assignment of leases, underleases, tenancies, licences, and any other interest in the Fund property;
 - (iii) the preparation and implementation of schemes for works of modernisation, improvements, maintenance and repair of the Fund property together with the invitation and acceptance of tenders and the authorisation of expenditure on such works;
 - (iv) the appointment and supervision of managing agents and professional advisors (including solicitors) necessary for the effective management of the Pension Fund Property Portfolio.
 - (v) the collection of all rents, service charges, insurance premiums and any other monies arising out of the Pension Fund Property Portfolio;
 - (vi) the signature of agreements and making arrangements for the execution of documents under seal; (documents under seal are to be executed by one of the officers authorised under Procedural Standing Order No. 31);
 - (vii) dealing with health and safety matters in association with investment properties.
- (h) The authorisation and execution of documents relating to the exercise of the powers and duties delegated to him/her.
- (i) The powers and duties delegated shall be exercised in accordance with internal control arrangements specified by the Clerk and Treasurer.

12.2 ~~Assistant Fund Manager~~ Head of Investment - Delegated Powers

- (a) Whenever the office of Fund ~~Director Manager~~ is vacant or he/she is for any reason unable to act the investment powers and duties delegated to the Fund ~~Director Manager~~ may be exercised by the Head of Investment Assistant Fund Manager.
- (b) Investing in accordance with the ~~b~~Benchmark set by the Authority, ~~investing money in UK and overseas equities~~.
- (c) Appointment of brokers.
- (d) The authorisation and execution of documents relating to the exercise of the powers and duties delegate to him/her. (Documents under seal are to be executed by one of the officers authorised under Procedural Standing Order No. 31).
- (e) The powers and duties delegated shall be exercised in accordance with internal control arrangements specified by the Clerk and Treasurer.

12.3 Principal Investment Manager(s) - Delegated Powers

- (a) ~~Investing in~~ accordance with the ~~b~~Benchmark set by the Authority, ~~investing money in UK and overseas equities.~~
- (b) The authorisation and execution of documents relating to the exercise of the powers and duties delegated to him/her. (Documents under seal are to be executed by one of the officers authorised under Procedural Standing Order No. 31).
- (c) The powers and duties delegated shall be exercised in accordance with internal control arrangements specified by the Clerk and Treasurer.

SECTION E

PENSIONS ADMINISTRATION DELEGATED POWERS

13 GENERAL

13.1 The following references are used throughout this section:

- “A Regs” - The Local Government Pension Scheme (Administration) Regulations 2008 (as amended)
- “B Regs” - The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended)
- “T Regs” - The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 (as amended)
- “1997 Regs” - The Local Government Pension Scheme Regulations 1997 (as amended)
- “1995 Regs” - The Local Government Pension Scheme Regulations 1995 (as amended)

13.2 Head of Pensions Administration Assistant Treasurer – Delegated Powers

- (a) To deal with the following benefits and contributions matters in relation to the South Yorkshire Pension Fund.
 - (i) In consultation with the Chair and Vice-Chair, the making, or terminating, of admission agreements with bodies falling within the scope of Regulations 5,6,7, 12 and Schedule 3 of the A Regs.
 - (ii) The determination under Regulation 3(11) of the B Regs of the intervals at which standard employee contributions are payable to the pension scheme.
 - (iii) Making elections under Regulation 23 of the 1997 Regs (as permitted by Schedule 1 of the T Regs) on behalf of deceased members for Certificates of Protection of pension benefits.
 - (iv) The exercise of discretion under Regulation 52(2) of the A Regs, Regulations 23(2), 32(2) and 35(2) of the B Regs, plus under Regulation L155(4) of the 1995 Regs (as permitted by Schedule 1 of the T Regs), regarding the payment of death grants in respect of deceased scheme members.

- (v) The exercise of discretion under Regulation 26(4) of the B Regs in determining eligibility of a dependant child who commences full time education or training after the date of the members death.
- (vi) The exercise of discretion under Regulation 26(5) of the B Regs in respect of breaks in education or training for the purposes of deciding if a person can be regarded as a child.
- (vii) The commutation of certain small pension benefits to single lump sum payments so as to discharge future liability for payments, in accordance with Regulation 39 of the B Regs and Regulation 14(3) of the T Regs.
- (viii) The commutation of pensions in exceptional circumstance of ill-health as provided by Regulation 50 of the 1997 Regs (as permitted by Schedule 1 of the T Regs).
- (ix) Obtaining revisions to a rates and adjustments certificate in circumstances falling within Regulation 38 of the A Regs.
- (x) The determination, in accordance with Regulation 40(2) and (4) of the A Regs, as to the method of paying for augmented membership.
- (xi) The determination, in accordance with Regulation 40(9) (b) of the A Regs, as to whether to extend the one month period within which a lump sum payment by the employer has to be paid to pay for augmented membership or additional pension.
- (xii) The determination under Regulation 42(1) and Regulation 42(4) of the A Regs, of intervals for the payment of employee and employer contributions to the Fund.
- (xiii) The determination under Regulation 55(4) of the A Regs of the amount of any benefit that may be payable to a person out of the pension fund.
- (xiv) The determination under Regulation 55(2) of various matters in relation to new contributors concerning previous service and additional pension.
- (xv) The approval under Regulation 56(2) of the A Regs of medical practitioners to be used by Fund employers in making decisions on entitlement to ill-health retirement.
- (xvi) The transfer under Regulations 74 and 76 of the A Regs, to an employing authority from the Fund, of sums to compensate for loss caused by a former member's misconduct.
- (xvii) The payment of transfer values under Regulations 79, 81(1) (b) and 83(9) of the A Regs.
- (xviii) The acceptance of transfer values under Regulations 83 of the A Regs.
- (xix) In accordance with Regulation L147 of the 1995 Regs (as permitted by Schedule 1 of the T Regs) to determine how to discharge Pension Credit liability

- (xx) In accordance with Regulation 42(1)(c) of the B Regs, to decide, in the absence of an election from a scheme member, which benefit is to be paid where that member would be entitled to a benefit under more than one regulation in respect of the same period of membership.
- (xxi) The approval of applications for the reinstatement of spouse's pensions under Regulation F7 of the 1995 Regs in the following circumstances:-
 - If a spouse has remarried and that marriage has ended; or
 - If a spouse has been cohabiting outside marriage and that cohabitation has ended.
- (xxii) The exercise of discretion on the extension of statutory time limits in respect of various applications made by employees and beneficiaries as provided in the Regulations.
- (xxiii) In accordance with Regulation 64(1) (b) of the A Regs, to specify the information to be supplied by employers to enable SYPA to discharge its functions.
- (xxiv) The exercise, on behalf of a deceased member, of an election, under Regulation 10(2) of the B Regs, to use pensionable pay determined from an earlier period for calculating scheme benefits.
- (xxv) The exercise of discretion, under Regulation 27(5) of the B Regs, whether a child's pension should be paid to a person other than the child subject to direction that it is to be used solely for the child's benefit.

(b)

13.3 Fund Director Internal Dispute Resolution Procedure - Stage 2 appeal decisions (appeals against decisions of employers and decisions taken on behalf of the Authority as an Administering Authority).

13.43 ~~Principal Pensions Manager – Delegated Powers~~ Fund Director

(a) Whenever the office of ~~Head of Pensions Administration Assistant Treasurer~~ is vacant or he/she is for any reason unable to act the benefits and contribution matters delegated to the ~~Head of Pensions Administration Assistant Treasurer~~ in paragraph 13.2 (a) above may be exercised by the ~~Principal Pensions Manager~~ **Fund Director or his nominee**.

Head of Pensions Administration Internal Dispute Resolution Procedure - Stage 1 appeal decisions (appeals against decisions of the Authority as an Employing or Administering Authority).

SECTION F

LEGAL PROCEEDINGS DELEGATED POWERS

14 GENERAL

14.1 **The Clerk and Treasurer**

- (i) To institute, defend or participate in any legal proceedings in any case where either the institution or defence of such proceedings is necessary to give effect to decisions of the Authority or of any ~~Committee~~Board, ~~Sub-Committee~~ or Officer acting under delegated powers as in any case where the Clerk and Treasurer considers that the institution or defence of, or participation in proceedings is necessary to protect the Authority's interests.
- (ii) To settle claims not exceeding £10,000 and in urgent circumstances claims exceeding £10,000. Details of claims exceeding £10,000 are to be reported to the Authority.
- (iii) To sign documents in connection with legal proceedings/procedures on behalf of the Authority.
- (iv) To instruct Counsel and external solicitors as appropriate.

14.2 **The Deputy Clerk and Monitoring Officer~~Solicitor~~**

To exercise the powers delegated to the Clerk and Treasurer under paragraph 14.1 on:-

- (i) being authorised or instructed by the Clerk and Treasurer; and
- (ii) in the circumstances where the office of the Clerk and Treasurer is vacant or he is absent or otherwise unable to act for any reason.

SECTION G

MONITORING OFFICER DELEGATED POWERS

15 GENERAL

- 15.1 The Deputy Clerk and Monitoring Officer Solicitor is the officer designated by the Authority to perform the functions of the 'Monitoring Officer' under Section 5 of the Local Government and Housing Act 1989.
- 15.2 In accordance with the provisions of Section 5 the Monitoring Officer is required to prepare a report to the Authority if at any time it appears to her that any proposal, decision or omission by the Authority, by any Committee Board or Sub-Committee of the Authority, or by any person holding office or employment under the Authority has given rise to or is likely to or would give rise to:-
- (a) a contravention by the Authority; by any Committee Board or Sub-Committee of the Authority; by an person holding any office or employment under the Authority of any enactment or rule of law; or
- (b) any such maladministration as is mentioned in Part III of the Local Government Act 1974.
- 15.3 In performing the duty conferred by Section 5 the Monitoring Officer will take account of reports made as a particular matter by any other officer and whether a matter is being resolved by other means including other reporting procedures.
- 15.4 The Monitoring Officer is performing the duties as arising under Section 5 is authorised to in our expenditure where this is necessary, in seeking to control the Authority. Where the expenditure is likely to exceed £10,000, Authority approval must be obtained.
- 15.5 The Monitoring Officer has nominated the (Deputy Solicitor)? to perform the functions under Section 5 when she is unable to act owing to absence or illness.

SECTION H

MISCELLANEOUS DELEGATED POWERS

16 GENERAL

16.1 **The Clerk and Treasurer**

- (i) Press and publicity and public relations on matters concerning the Authority.
- (ii) The handling of issues relating to the Commission for Local Administration.

~~(iii) [Determination of charges payable for providing information in accordance with the Freedom of Information Act 2000.](#)~~

16.2 **Freedom of Information Act –~~Internal Review Procedures~~**

The Clerk and Treasurer, the Deputy Clerk and ~~Monitoring Officer Solicitor~~ and the Deputy Treasurer are authorised to determine appeals under the Freedom of Information Act in accordance with the Authority's agreed internal review procedure.

~~[16.3 Determination of charges payable for providing information in accordance with the Freedom of Information Act 2000 vests with the Clerk and Treasurer and Fund Director.](#)~~

SECTION I

WRITE - OFFS

17.1 Investment income: Write-offs

- (a) The Clerk and Treasurer and Fund ~~Manager~~ Director may approve the writing-off of rent/interest due in respect of any investment property and revenue income due in respect of private equity/venture capital investments (e.g. ~~preferences share income, dividend income and loan interest income~~) as follows:

- not exceeding £~~51~~,000 ~~Clerk and Treasurer and Fund Director~~ Manager

- above £~~51~~,000 up to £~~105~~,000 Clerk and Treasurer

Writing-off of sums in excess of these limits shall be referred to the Authority for approval.

The Fund ~~Director~~ Manager shall submit a quarterly report to the Clerk and Treasurer detailing with write-offs which he/she has approved in accordance with the powers delegated to him/her.

- (b) Any other direct write-offs/losses incurred as a consequence of investment activity in accordance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations ~~1998~~ 2009 are reported by the Fund Director to the Investment Board in the Quarterly Investment Report, not subject to the normal debt write-off procedure. These are reported by the Fund Manager Director to the Authority

17.2 Pensions administration: Write-offs

The writing-off of an overpayment of salary to an employee where there is a death in service and the overpayment of pension on the death of a pensioner may be approved by the following officers:

- not exceeding £500 ~~Clerk and Treasurer, Assistant Treasurer, Head of Pensions Administration and Principal Pensions Manager~~ Pensions Manager (Payroll and Support)

- above £500 but not ~~Clerk and Treasurer, Head of Pensions Administration~~ Fund Director and ~~Assistant Treasurer~~

- exceeding £1,000

- above £1,000 but not Fund Director ~~Clerk and Treasurer~~

- exceeding £5,000

-above £5,000 but not exceeding £10,000 Clerk and Treasurer

Writing-off of sums in excess of this ~~£5,000~~ shall be referred to the Authority for approval.

17.3 Inventories: Write-offs

The writing-off of inventory items may be approved by the following officers:

- not exceeding £54,000 ~~Clerk and Treasurer,~~ Fund ~~Manager~~ Director
and ~~Assistant~~
~~Treasurer~~

- above £54,000 but Clerk and Treasurer
not exceeding £105,000

Deficiencies in excess of ~~this~~£5,000 shall be reported to the Authority for approval.

17.4 Other Write-offs

The writing-off of cash discrepancies and bad debts (save as otherwise provided the Authority) may be approved by the following officers:

- not exceeding £1,000 ~~Clerk and Treasurer,~~ Fund ~~Manager~~ Director
and ~~Assistant~~
~~Treasurer~~

- above £1,000 up to £5,000 Clerk and Treasurer

Writing-off of sums in excess of this £5,000 shall be referred to the Authority for approval.

SOUTH YORKSHIRE PENSIONS AUTHORITY

SOUTH YORKSHIRE PENSION FUND

SCHEME OF DELEGATION: MEMORANDUM

Introduction

1

The Authority's Constitution sets out the general Scheme of Delegation to officers. The named posts are thereby authorised by the Authority to exercise their specific powers and functions.

2

It is not possible for such a small number of people to take all the necessary decisions and authorise expenditure and, therefore, further delegation of these powers is allowed. The Scheme of Delegation is the formal record of that authorisation.

3

The Scheme of Delegation is embodied within Part 3 of the Constitution. It enables the senior officer, the Clerk and Treasurer, to enable delegation of his authority for the signing of contracts and other financial authorisations. The levels of delegation applicable are shown within that Part. Appendix A to this Memorandum shows the delegations which are most directly relevant to usual pension fund administration and investment activities.

4

The Scheme of Delegation is regularly reviewed and monitored.

5

In addition to the responsibilities listed in part 43 some additional responsibilities for functions specifically related to pension fund activities have been delegated to officers by the Authority.

Internal Disputes Resolutions Procedure (IDRP)

6

Under the LGPS (Administration) Regulations 2008 a member of the scheme has a right to raise a complaint in respect of their pension entitlement with their employer (or previous employer where they have left the employment to which the dispute relates).

7

Once the employer has issued their determination of the dispute the member has the right to have their dispute reviewed a second time by an independent officer appointed by the administering authority.

8

This Authority has delegated that role to the Fund Director.

Death Benefits etc

9

The LGPS Regulations 2007 state that if a scheme member dies before his 75th birthday the administering authority at their absolute discretion may make payment, in respect of the death grant to or for the benefit of the member's nominee or personal representative or any person appearing to the authority to have been his relative or dependant at any time.

10

The Authority has delegated that discretion to the Head of Pensions Administration who, in turn, has transferred the delegated authority to the Pensions Manager.

11

Various other discretions granted under the 1995, 1997, 2008 and Transition Provisions 2008 Regulations, listed in Part 3, have been delegated to the Head of Pensions Administration.

Treasury management

12

The Authority determines its treasury management strategy annually as required by section 12 of Part I, Chapter I of the Local Government Act 2003. The Clerk and Treasurer is the designated s73 Officer under the Local Government Act 1985, and has overall responsibility for the execution and administration of treasury management decisions. He has delegated responsibility for the daily management of monies arising from the receipt of employer and employee contributions and investment income exceeding the amount of payments made on behalf of the Fund to the Fund Director.

13

The Corporate Planning and Governance Board receives a quarterly report from the Clerk and Treasurer on pension fund cash management.

Asset allocation

14

Strategic asset allocation is determined by the Investment Board. Management of the assets in accordance with the strategy and within predetermined limits is delegated to the Clerk and Treasurer and by him to the Fund Director. Actual decisions are reported quarterly to the Investment Board.

Voting rights

15

The execution of voting rights is delegated to the Clerk and Treasurer in accordance with the policy approved by the Authority and by him to the Fund Director. Where officers consider that there is a need to vote other than in accordance with the agreed guidelines the decision to do so is delegated to the Fund Director.

Interest on late payment

16

The decision on charging interest under Regulation 44 of the LGPS (Administration) Regulations 2008 on employers or other administering authorities on late payments due under the Fund is delegated to the Fund Director.

Write-offs

17

The Clerk and Treasurer and Fund Director may approve the writing-off of rent/interest due in respect of any investment property and revenue income due in respect of private equity investments as follows:

- not exceeding £1,000 Clerk and Treasurer and Fund Director
- above £1,000 up to £5,000 Clerk and Treasurer

Writing-off of sums in excess of these limits shall be referred to the Authority for approval.

18

The writing-off of other losses incurred as a consequence of investment activity in accordance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 is delegated to the Fund Director subject to him reporting retrospectively such items to the Investment Board.

19

The writing-off of an overpayment of salary to an employee where there is a death in service and the overpayment of pension on the death of a pensioner may be approved by the following officers:

- not exceeding £500 Clerk and Treasurer, Fund Director, Head of Pensions Administration and Pensions Manager (Payroll and Support)
- above £500 but not exceeding £1,000 Clerk and Treasurer, Fund Director and Head of Pensions Administration
- above £1,000 but not exceeding £5,000 Clerk and Treasurer and Fund Director

Writing-off of sums in excess of this £5,000 shall be referred to the Authority for approval.

Appendix A

A Authority to sign orders, invoices and contracts for the Fund

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