Public Document Pack

Date: 26 November 2025

To: MEMBERS OF SOUTH YORKSHIRE PENSIONS AUDIT & GOVERNANCE COMMITTEE

Oakwell House
2 Beevor Court
Pontefract Road
Barnsley
S71 1HG

www.sypensions.org.uk

This matter is being dealt with by: Governance Team
Direct Line: 01226 666412
Email: Governanceteam@sypa.org.uk

Dear Member

South Yorkshire Pensions Audit & Governance Committee
Thursday, 4 December 2025

A meeting of South Yorkshire Pensions Audit & Governance Committee will be held at **Oakwell House, 2 Beevor Court, Pontefract Road, Barnsley, S71 1HG on Thursday, 4th December, 2025 at 10.00 am.**

The agenda is attached.

Yours sincerely

G Graham

George Graham
Director and Clerk

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Distribution: Councillor Roy Bowser (Chair), Councillor John Reed, Councillor Simon Clement-Jones, Councillor David Fisher and Councillor Ken Guest and Councillor Martin O'Donoghue

Emma Dawson – Independent Member

Co-opted Members: Trade Unions: Phil Boyes (UNITE), Nicola Doolan-Hamer (UNISON) and Garry Warwick (GMB).

SOUTH YORKSHIRE PENSIONS AUDIT & GOVERNANCE COMMITTEE

THURSDAY, 4 DECEMBER 2025 AT 10.00 AM, OAKWELL HOUSE, 2 BEEVOR COURT, PONTEFRACT ROAD, BARNSLEY, S71 1HG

AGENDA

	Item	Timings	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	Minutes of the meeting held on 02/10/2025		5 - 10
INTERNAL AUDIT			
7	2025/2026 Quarter 3 Internal Audit Progress Report		11 - 20
8	Internal Audit Plan Consultation Paper 2026/2027		21 - 24
GOVERNANCE			
9	Annual Review of Risk Management Framework 2025/2026		25 - 64
10	Progress on Agreed Management Actions		65 - 72
11	Local Code of Corporate Governance		73 - 92

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SOUTH YORKSHIRE PENSIONS AUTHORITY AUDIT AND GOVERNANCE COMMITTEE

2 OCTOBER 2025

PRESENT: Councillor Roy Bowser (Chair)

Councillors: Simon Clement-Jones and Martin O'Donoghue

Emma Dawson – Independent Member

Co-opted Members: Trade Unions: Phil Boyes (UNITE) and Nicola Doolan-Hamer (UNISON)

Officers: George Graham (Director), Gillian Taberner (Director Designate), Debbie Sharp (Assistant Director - Pensions), William Goddard (Acting Assistant Director - Resources) Melanie Priestley (Acting Head of Finance and Performance) Jo Stone (Head of Governance and Corporate Services), Sharon Bradley (Corporate Assurance), Caroline Hollins (Corporate Assurance) Annie Palmer (Team Leader - Governance)

Richard Lee (Director, KPMG) and Elizabeth Wharton (Senior Audit Manager, KPMG)

1 APOLOGIES

Apologies for absence were received from Councillor David Fisher, Councillor John Reed, Councillor Ken Guest and Garry Warwick (GMB)

2 ANNOUNCEMENTS

None

3 URGENT ITEMS

None

4 ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS

None

5 DECLARATIONS OF INTEREST

None

6 MINUTES OF THE MEETING HELD ON 17 JULY 2025

Members were advised that the list of those present at the meeting included in the minutes had been subject to a technical glitch and would be amended.

RESOLVED: The minutes of the meeting held on 17 July 2025 were agreed as a true record.

7 2025/26 QUARTER 2 INTERNAL AUDIT PROGRESS REPORT

The Corporate Assurance Manager presented the report which provided a summary of the Corporate Assurance Team's internal audit activity, and the key issues arising from it, for the period 30 June 2025 to 14 September 2025.

It was noted that, as in previous years, the audit plan is profiled more heavily towards the end of the financial year with appropriate resources provisioned to manage this. The Corporate Assurance Manager also commented on the low number of current agreed management actions and the positive liaison and management of their progress.

Members noted and welcomed the anticipated Reasonable (positive) overall assurance opinion and questioned what could be preventing a Substantial opinion. The Head of Corporate Assurance explained that only two reports have been issued so far this year and although one has resulted in a substantial opinion the overall internal audit opinion is based on the full coverage of the audit plan.

Members also asked for clarification around previous years' recommendations and the Corporate Assurance Manager confirmed that any outstanding actions are carried forward and progress monitored as part of the Agreed Management Actions reviews.

RESOLVED: Members considered the report and requested further information from the Corporate Assurance Team as necessary.

8 EXTERNAL AUDITORS FINAL REPORT ON THE 2024/25 AUDIT - AUTHORITY

Richard Lee, Director at KPMG, presented the results of the external audit of the financial statements of the Authority, for the year ended 31 March 2025. He commented that both the Authority and Fund audits had progressed well, building on the strong working relationships between KPMG and South Yorkshire Pensions Authority.

Members were asked to note that there were no new matters to raise with members since the last update. It was highlighted that the significant risk in relation to management override of controls is a common risk that appears on the majority of audit plans and that no issues have been identified in the case of SYPA. Attention was drawn to the summary of corrected audit differences and the actual benefits paid misstatement.

Members asked for clarity around the misstatement and assurance that new processes are now in place to mitigate this risk moving forward. The Acting Assistant Director – Resources explained that the misstatement was due to a single retirement event that resulted in a material discrepancy from the actuary's IAS 19 report produced in May 2025 based on a roll-forward estimate methodology.

He confirmed that this necessitated a revised report to be produced based on the actual cashflows for which the accounts were amended and explained that the actuary

will be asked to produce our future IAS 19 reports using actual cashflows which should prevent any recurrence.

RESOLVED: Members received and noted the External Auditor's Year End Report for the Pensions Authority.

9 EXTERNAL AUDITORS FINAL REPORT ON THE 2024/25 AUDIT - FUND

Elizabeth Wharton, Senior Manager at KPMG, presented the external auditor's year-end report on the key findings from the audit work carried out in relation to the financial statements of the Pension Fund for 2024/25. It was noted that the majority of the audit was complete and that the outstanding matters listed on page 5 of the report had reduced significantly since the report was produced. It was highlighted that the only significant risk is the management override of controls which, as with the Authority report, is a standard risk on the majority of audit plans.

Members were asked to note that there were no matters arising from the review of property investments with the majority of commercial property transferring to Border to Coast during the year. Attention was drawn to the review of level 3 pooled investment vehicles and issues arising from investment managers not responding to audit requests.

Members raised concern around the three Sustainable Growth Funds where investment managers had not provided the requested up to date valuations or audited accounts and asked how this would be managed moving forward. The Acting Assistant Director – Resources explained that work is ongoing with the Investment Strategy Team to implement a new internal control which will ensure early identification and escalation where issues are being experienced in obtaining audited accounts. It was further agreed that the Assistant Director – Investment Strategy will be asked to prepare and circulate a short briefing note for Committee members outlining the issues in relation to this particular case, the Sustainable Growth Fund.

Members also queried the error in the BCPP valuation and questioned what measures could be put in place to ensure an accurate first valuation avoiding the need for a revised management valuation. The Acting Assistant Director – Resources explained that the valuation error was as a result of one item being undervalued and that as a result BCPP have introduced a new control measure that ensures that any material changes in valuation between quarters are highlighted to BCPP so that they can liaise with investment managers to ensure accurate figures are used.

RESOLVED: Members received and noted the External Auditor's Year End Report for the Pension Fund.

10 EXTERNAL AUDITORS ANNUAL REPORT 2024/25

Richard Lee, Director at KPMG, presented the Auditors Annual Report for 2024/25 and explained that the purpose of this report is to bring together the results of their work over the year, including commentary on the Authority's value for money arrangements. It was confirmed that there were no significant issues to report or draw to the attention of the Audit & Governance Committee.

RESOLVED: Members received and noted the External Auditor's Annual Report 2024/25

11 LETTER OF REPRESENTATION 2024/25

The Acting Assistant Director – Resources presented the report to seek Members approval of the Chief Finance Officer's formal letter to the Auditor giving representations regarding the information in the Statement of Accounts for 2024/25, as set out in the Accounts and Audit Regulations 2015.

It was confirmed that there were no specific representations contained in the Authority letter and members were asked to note the two uncorrected audit differences in the Fund letter.

RESOLVED: Members authorised the approval of the Authority and Fund Letters of Representation on behalf of the Authority.

12 APPROVAL OF THE STATEMENT OF ACCOUNTS 2024/25

The Acting Assistant Director – Resources presented the report to approve the audited Statement of Accounts 2024/25. He commented on the positive outcomes and thanked KPMG for the work carried out throughout the year. Members were asked to note the small number of amendments to the accounts arising from the audit with only two material issues; in relation to Authority Accounts – Pensions, and in relation to Fund Accounts – Contractual Commitments.

Members received the report and welcomed the positive outcomes.

RESOLVED: Members

a. **Approved the Statement of Accounts 2024/25;**
b. **Authorised the Chair of the Audit & Governance Committee to sign the final, audited Statement of Accounts on behalf of the Authority, including in the event of any material substantive changes required following the audit completion**

13 2024/25 SOUTH YORKSHIRE PENSIONS AUTHORITY ANNUAL REPORT

The Director presented the report to seek approval for the Authority's Annual Report for 2024/25 for publication. It was explained that the Annual Report is required to be produced in line with the standard format set out by statutory guidance and will also be supported by our SYPA: In Focus video that will be published alongside the report.

Members were asked to note that the 2024/25 report is fully compliant with statutory guidance and that the external auditor will review the annual report in order to provide their consistency opinion that the report reflects the audited accounts.

Members asked for clarification on the timescales for publishing and it was confirmed that the report would be published following receipt of the auditor's signed opinion, which is targeted for around 17 October 2025.

RESOLVED: Members

a. **Approved the Annual Report of the Authority for 2024/25 at Appendix A.**
b. **Authorised the Director to incorporate the audited accounts into the Annual Report and make any minor cosmetic and/or textual amendments required prior to publication.**
c. **Authorised the Director to publish the Annual Report on receipt of the Auditor's consistency opinion.**

14 PROGRESS ON AGREED MANAGEMENT ACTIONS

The Team Leader – Governance presented the report to update Members on the actions being taken in response to audit review findings during the current financial year and in previous financial years. It was noted that two new agreed management actions have been added since the last report.

RESOLVED: Members

a. **Note the progress being made on implementing agreed management actions; and**
b. **Considered if any further information or explanation is required from officers.**

CHAIR

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Agenda Item

Subject	**Internal Audit Progress Report**	**Status**	For Publication
Report to	**Audit and Governance Committee**	**Date**	**04/12/2025**
Report of	Head of Corporate Assurance (Internal Audit)		
Equality Impact Assessment	Not Required		
Contact Officer	Sharon Bradley	**Phone**	07795 305846
E Mail	SharonBradley@barnsley.gov.uk		

1. Purpose of the Report

1.1 The purpose of this report is to provide a summary of the Corporate Assurance Team's internal audit activity completed, and the key issues arising from it, for the period 15th September 2025 to 16th November 2025.

1.2 To provide information regarding the performance of the Corporate Assurance Team during the period.

2 Recommendation

2.1 It is recommended that Members consider the report and as necessary request further information and/ or explanations from the Corporate Assurance Team or Management.

3 Background Information

3.1 The Audit and Governance Committee has responsibility for reviewing the adequacy of the Authority's corporate governance arrangements, including those relating to internal control and risk management. The reports issued by the Corporate Assurance Team are a key source of assurance contributing to the evidence the Committee receives to assure them that the internal control environment is operating as intended.

3.2 The Head of Corporate Assurance produces an Annual Report (reported into the July Committee meeting), which provides an overall opinion on the adequacy of the Authority's control environment and compliance with it during the year.

4. Implications

4.1 The proposals outlined in this report have the following implications:

Financial	The cost of the services of the Internal Audit service provided by the Corporate Assurance Team is contained within the budget and is periodically invoiced.
Human Resources	n/a
ICT	n/a
Legal	Section 73 of the Local Government Act 1985 requires the Authority to make arrangements for the proper administration of its financial affairs; and Regulation 6 of the Accounts and Audit Regulations 2015 requires the Authority to maintain an adequate and effective system of Internal Audit (Corporate Assurance) of its accounting records and of its system of internal control. This report does not contain any information which is exempt under the Freedom of Information Act 2000.
Procurement	n/a

Sharon Bradley CMIIA
Head of Corporate Assurance

Background Papers	
Document	**Place of Inspection**
Background papers and other sources of reference include: Corporate Assurance Mandate and Charter 2025-28, Annual Plan 2025-26, Individual Assurance Reports, MK Insight (Audit Management System), Global Internal Audit Standards UK 2025	Barnsley Metropolitan Borough Council, Westgate Plaza, Barnsley.

South Yorkshire Pensions Authority

Corporate Assurance (Internal Audit) Progress Report

Audit and Governance Committee

4th December 2025

The matters arising in this report are only those which came to our attention during our corporate assurance work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

CORPORATE ASSURANCE (INTERNAL AUDIT) PROGRESS REPORT
15th September 2025 to 16th November 2025

Purpose of this report

This report has been prepared to update the Committee on our activity for the period 15th September 2025 to 16th November 2025, bringing to your attention matters that are relevant to your responsibilities as members of the Authority's Audit and Governance Committee. The report also provides information regarding the performance of the Corporate Assurance Team during the period.

Corporate Assurance (Internal Audit) Plan Progress 2025-26

The following table shows the progress of the corporate assurance plan 2025-26 up to the 16th November 2025, analysed by the number of planned assignments and days delivered by Service Area.

To date, we have delivered 45% of the total planned days. The 2025/26 plan (as in previous years) is profiled more heavily towards the end of the financial year and Corporate Assurance has profiled its resources accordingly.

Position as at 16th November 2025- Plan Days Delivered

2025/26 Plan	Original Plan Days	Revised Plan Days	Actual days (% of revised days)
Finance & Resources	75	75	34 (45%)
Pensions Administration	28	29	9 (31%)
Authority Wide	79	79	42 (53%)
Investment Strategy	8	8	0 (0%)
Corporate Services	15	15	9 (60%)
Contingency	2	1	
Chargeable Planned Days	**207**	**207**	**94 (45%)**

Position as at 16th November 2025 – Planned Assignments With Report

	Planned assignments in year	Assignments to be completed in period	Actual assignments completed in period	Actual assignments completed to date
Finance & Resources	9	2	2	2
Pensions Administration	4	0	0	1
Investment Strategy	0	0	0	0
Corporate Services	1	0	0	0
Authority Wide	4	2*	1	2
Total	**18**	**4**	**3**	**5**

***** The Procurement Compliance review is at draft report stage, for discussion and agreement with management.

Changes to the 2025/26 Plan

At the beginning of the year provision is made in the allocation of corporate assurance resources for unplanned work, through a contingency. As requests for work are received, or more time is required for jobs or changes in priorities are identified, time is allocated from this contingency. There have been no changes to the plan during this period.

Final Reports Issued

The following reports have been issued during the period.

Assurance Assignment	Assurance Opinion	Number of recommendations raised:			Total	Agreed
		High	Medium	Low		
Authority Wide: Cybersecurity	Reasonable	0	2	0	2	2
Finance & Resources: Accounts Receivable	Substantial	0	0	0	N/A	N/A
Finance & Resources: Fund Contributions	Reasonable	0	1	1	2	2
Total		**0**	**3**	**1**	**4**	**4**

Other Corporate Assurance work undertaken

Assurance Activity	**Description**
Follow-up of Agreed Management Actions (AMAs)	Regular work undertaken to follow-up agreed management actions.
Planning, Liaison and Feedback	Meeting and corresponding with Senior Management regarding progress of assurance work, future planning, and general client liaison.
Advice	General advice to services regarding controls, risk, or governance.
Audit and Governance Committee Support	Time taken in the preparation of Audit and Governance Committee reports, Member training (as required), general support and development.
Audit and Governance Committee Awareness Sesson	To provide training and support to members of the Audit & Governance Committee on the Assurance Framework and also Global Internal Audit Standards UK.
National Fraud Initiative	Time allocated to provide assurance that the NFI data matching exercises have been undertaken.
Annual Governance Statement Process	To provide advice, support and challenge to management during the drafting of the Annual Governance Statement.
DPO Assurance	Time allocated for IA to undertake reviews commissioned by the Data Protection Officer.
Data Quality	To provide advice, support and guidance re data ownership, quality and integrity across the organisation. To include a review of the Data Quality Improvement Plan.

Assurance Activity	Description
Performance Management Framework	To provide advice, support, and guidance to management during the design and implementation of the Performance Management Framework.
Contract Management	To provide advice, support and guidance to management during the development and implementation of a Contract Management Framework.
Staff Payroll and HR System – Design and Implementation	To provide advice, support, and guidance to management during procurement and implementation of the new Staff Payroll and HR System.
Contract Management – New Custodian	To provide advice, support and guidance to management on contract management arrangements following appointment of the new Custodian.
Investment Oversight Model	To provide advice, support and guidance to management following implementation of the Investment Oversight Model.

Work in Progress

The following table provides a summary of the internal audit reviews in progress at the time of producing this report:

Directorate- Assurance Assignment	Pre-Planning	Work in Progress	Draft Report
Service Wide: Procurement Compliance			✓
Finance & Resources: Treasury Management		✓	
Finance & Resources: Budget Management & Monitoring		✓	
Finance & Resources: Recruitment & Selection		✓	
Finance & Resources: Purchase Management (Purchase to Pay)		✓	
Finance & Resources: Pensioner (UPM) Payroll		✓	
Pensions Admin: Annual Benefit Statements	✓		

Follow-up of Corporate Assurance Report Management Actions

The following table shows the status of agreed management actions due for completion during the period:

Management Action Classification	Followed up	Not Yet Due	Closed - Implemented	Revised target date agreed	Awaiting Update From Mgt
High	0	0	0	0	0
Medium	5	3	0	1	1
TOTAL	**5**	**3**	**0**	**1**	**1**

The Corporate Assurance Team continues to receive good co-operation from management including the Senior Management Team (SMT) and as such is able to closely monitor any implications that may arise from a delay in the implementation of management actions.

Corporate Assurance Team performance indicators and performance feedback for 2025/26 (Quarter 2)

The Corporate Assurance Team's performance against a number of indicators is summarised below. The Service uses a range of performance indicators to monitor operational efficiency. Quarterly performance of the function is satisfactory and all PIs for the year are either on or exceed target levels.

Ref.	Indicator	Frequency of Report	Target 2025/26	This Period	Year to Date
1.	**Customer Perspective:**				
1.1	Percentage of questionnaires received noted "good" or "very good" relating to work concluding with an assurance report.	Quarterly	95%	100%	100%
2.	**Business Process Perspective:**				
2.1	Percentage of final assurance reports issued within 10 working days of completion and agreement of the draft assurance report.	Quarterly	80%	100%	100%
2.2	Percentage of chargeable time against total available.	Quarterly	68%	68%	68%
2.3	Average number of days lost through sickness per FTE	Quarterly	6 days	0 days	1.12 days
3.	**Continuous Improvement Perspective:**				
3.1	Personal development plans for staff completed within the prescribed timetable.	Annual	100%	100%	100%
4.	**Financial Perspective:**				
4.1	Total costs v budget.	Quarterly	Within budget	Yes	Yes

Performance indicator definitions and supporting information

PI Ref	Indicator	Comments
1.1	Percentage of favourable questionnaire responses received (noted “good” or “very good”) relating to work concluding with an assurance report.	Client Sponsor and Operational Lead Questionnaires are circulated at the end of each piece of work. The questionnaires ask specific questions covering the effectiveness of pre-planning, communication, timing, and quality of the assurance report/output. An overall assessment is sought as to the overall value of the work. This is the answer used for this PI. All questionnaires are analysed in detail to ensure all aspects of the assurance process are monitored and improved.
2.1	Percentage of final assurance reports issued within 10 working days of completion and agreement of the draft assurance report.	This is an operational PI to ensure the timely issue of final reports. This PI is influenced by the availability of Senior Corporate Assurance staff to clear the report and any issues the Service’s quality assessment process highlights along with the availability of the client sponsor.
2.2	Percentage of chargeable time against total available.	A key operational measure of the ‘productivity’ of the Corporate Assurance Team taking into account allowances for administration, general management, training, and other absences. This PI will reflect the % chargeable time of staff in post, net of vacancies.
2.3	Average number of days lost through sickness per FTE.	A corporate PI to measure the effectiveness of good absence / attendance management.
3.1	Personal development plans for staff completed within the prescribed timetable.	The Corporate Assurance Team place a high level of importance on staff training and continuous development and are committed to ensure all staff have their own training plans derived from the personal development plan process.
4.1	Total costs v budget.	This is a simple overall measure to note whether the Service’s expenditure for the year has been kept within the budget.

Head of Corporate Assurance’s Opinion

The Head of Corporate Assurance, as Head of Internal Audit for the Authority, must deliver an annual assurance opinion and report that can be used by the organisation to inform its Annual Governance Statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.

At this point in the year, based on work completed to date, it is anticipated that a **Reasonable** (positive) overall assurance opinion will be provided.

Corporate Assurance Contacts

Contact	Title	Contact Details
Sharon Bradley	Head of Corporate Assurance	Mobile: 07795 305846 Email: SharonBradley@barnsley.gov.uk
Caroline Hollins	Corporate Assurance Manager	Telephone: 01226 772822 Email: CarolineHollins@barnsley.gov.uk

Appendix A

KEY TO CORPORATE ASSURANCE (INTERNAL AUDIT) GRADINGS AND CLASSIFICATION OF IMPLICATIONS

1. Classification of Implications (impact)

High	Requires immediate action – imperative to ensuring the objectives of the system under review are met.
Medium	Requiring action necessary to avoid exposure to a significant risk to the achievement of the objectives of the system under review.
Low	Action is advised to enhance control or improve operational efficiency.

2. Assurance Opinions

	Level	Control Adequacy	Control Application
POSITIVE OPINIONS	**Substantial**	Robust framework of controls exist that are likely to ensure that objectives will be achieved.	Controls are applied continuously or with only minor lapses.
	Reasonable	Sufficient framework of key controls exist that are likely to result in objectives being achieved, but the control framework could be stronger.	Controls are applied but with some lapses.
NEGATIVE OPINIONS	**Limited**	Risk exists of objectives not being achieved due to the absence of key controls in the system.	Significant breakdown in the application of key controls.
	None	Significant risk exists of objectives not being achieved due to the absence of controls in the system.	Fundamental breakdown in the application of all or most controls.

Agenda Item

Subject	**Internal Audit Plan Consultation Paper for 2026/27**	**Status**	For Publication
Report to	**Audit and Governance Committee**	**Date**	**04/12/2025**
Report of	Head of Corporate Assurance (Internal Audit)		
Equality Impact Assessment	Not Required		
Contact Officer	Sharon Bradley	**Phone**	07795 305846
E Mail	SharonBradley@barnsley.gov.uk		

1. Purpose of the Report

1.1 The purpose of this paper is to set out the annual internal audit planning process and to consult with the Audit and Governance Committee with regard to potential projects for inclusion in the draft internal audit plan for 2026/27.

2. Recommendations

2.1 It is recommended that: -

i) Members consider the proposed planning process and be satisfied that it is sufficiently robust that it will determine a value-adding internal audit plan, informed by risk and through consultation with appropriate senior management.
ii) Members consider potential projects for consideration in the Internal Audit Annual Plan for 2026/27, all nominations to be passed through the Chair for notification to the Head of Corporate Assurance.
iii) Members acknowledge the professional responsibility of the Head of Corporate Assurance (Internal Audit) to ultimately determine the plan of internal audit work.

3. Background Information

3.1 The annual Internal Audit planning process for 2026/27 has commenced. The following actions will be undertaken during this process: -

- Consideration of the strategic risk register and recorded mitigation actions.
- Consideration of historical and topical issues as well as horizon scanning to attempt to identify any major issues that might affect the controls, risk, or governance of the Authority.
- Consideration of issues to provide assurances to the temporary Assistant Director Resources (Chief Finance Officer) in meeting his statutory responsibilities.
- Consultation with the Senior Management Team responsible for the delivery of services.
- Consultation with the Audit and Governance Committee with responsibility for overseeing delivery of the work of Internal Audit.

3.2 The consideration of the areas of work to be included in the Internal Audit Plan will have cognisance of risk and strategic significance. Professional internal audit standards require

audit work to be risk informed and therefore it is important that in the process of audit planning, risks within the area under consideration have been identified by management.

3.3 The review of financial systems is completed on a 3-year cyclical basis, unless there is evidence of significant change in the risk profile which may warrant more frequent and detailed coverage. This approach was agreed as part of the annual planning process for 2025/26 and will be reviewed again for 2026/27.

3.4 A key part of the Internal Audit planning process is to ensure sufficient overall coverage is provided across the Authority to enable the Head of Corporate Assurance (Internal Audit) to give an annual opinion on the effectiveness of the Authority's control, risk, and governance arrangements. In addition, and where possible, capacity will be provided for advisory support to management.

3.5 Irrespective of any resource limitations it is important that the planning process identifies all areas of work that Corporate Assurance (Internal Audit) and management are concerned about and are therefore seeking assurance on. Should the areas requiring assurance extend beyond the resources (and sometimes the capability) of Corporate Assurance, the Audit and Governance Committee and management need to be satisfied that alternative sources of assurance are identified and resourced. Through further consultation the process of allocating indicative audit days is applied to produce a draft plan.

3.6 The Audit and Governance Committee is therefore requested to consider key risk and areas of concern where they feel internal audit coverage may be appropriate. In view of the timetable for meetings and eventual agreement of the Annual Plan members are asked to provide the Chair with suggestions for collation and notification to the Head of Corporate Assurance by 31st January 2026.

3.7 The planning process, whilst focussed during January and February particularly, is a continual process. Reviews of the Plan are undertaken regularly throughout the year to ensure Corporate Assurance (Internal Audit) resources are directed at the most relevant priority areas. As such an indicative Plan will be prepared for consideration by the Committee at the March meeting with revisions and changes to the Plan being incorporated into the quarterly Progress reports.

4. Implications

4.1 The proposals outlined in this report have the following implications:

Financial	The cost of the services of the Corporate Assurance (Internal Audit) Team is contained within the budget and is periodically invoiced.
Human Resources	n/a
ICT	n/a
Legal	Section 73 of the Local Government Act 1985 requires the Authority to make arrangements for the proper administration of its financial affairs; and Regulation 6 of the Accounts and Audit Regulations 2015 requires the Authority to maintain an adequate and effective system of Internal Audit of its accounting records and of its system of internal control. This report does not contain any information which is exempt under the Freedom of Information Act 2000.

Procurement	n/a

Sharon Bradley CMIIA
Head of Corporate Assurance

Background Papers	
Document	**Place of Inspection**
Background papers and other sources of reference include: Corporate Assurance (Internal Audit) Mandate and Charter 2024-26, MK Insight (Audit Management System), Global Internal Audit Standards UK 2025, Internal Audit plan.	Barnsley Metropolitan Borough Council, Westgate Plaza, Barnsley.

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SOUTH YORKSHIRE PENSIONS AUTHORITY

Subject	**Annual Review of the Risk Management Framework**	**Status**	For Publication
Report to	Audit & Governance Committee	**Date**	4 December 2025
Report of	Head of Governance and Corporate Services		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Annie Palmer Team Leader Governance	**Phone**	01226 666404
E Mail	APalmer@sypa.org.uk		

1 Purpose of the Report

To present the annual review of the Risk Management Framework for the Committee to consider.

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2 Recommendations

2.1 Members are recommended to:

a. Consider whether any additions or changes are required to the Risk Management Framework presented at Appendix A; and

b. Approve the updated Risk Management Framework for publication.

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3 Link to Corporate Objectives

3.1 This report links to the delivery of the following corporate objectives:

Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times.

4 Implications for the Corporate Risk Register

4.1 The issues dealt with in this report concern the effectiveness of the risk management framework rather than any specific individual risk.

5 Background and Options

5.1 The terms of reference of the Audit and Governance Committee require that it review the Risk Management Framework on an annual basis. This report is intended to fulfil that requirement.

5.2 The updated Risk Management Framework is attached at Appendix A and has continued to operate effectively since the last annual review.

5.3 For information a copy of the strategic risk register is attached at Appendix B. This is the most recent version that was reviewed by the Authority in September. The latest review will be considered by the Authority at their forthcoming December meeting.

5.4 A quarterly review of the strategic risk register is undertaken by the Senior Management Team (SMT), involving each risk owner updating progress made on the planned risk mitigation actions as well as re-assessing the status, score and any changes to each risk, and considering the need to add any newly emerging risks to the register. The results of which are reported to meetings of the Authority for members to consider and is presented to each meeting of the Local Pension Board for further scrutiny.

5.5 The strategic risk register is also reviewed at each of the monthly SMT meetings so that risk is actively monitored on an on-going basis.

5.6 The use of risk management software (Pentana) is now embedded and has improved the efficiency and clarity with which risks are recorded, managed, and monitored. In addition progress continues on the introduction of the additional layer of operational risk management at team / service level.

5.7 Barnsley MBC Corporate Assurance carried out a post implementation review of the Pentana Risk system in March 2025 which resulted a substantial assurance, with just one low implication in relation to providing further clarity of the process required to close a risk on the Corporate Risk Register.

5.8 The risk management framework has been revised as attached at Appendix A. There were no substantive changes required other than the addition of wording to clarify the process for closing a risk, as agreed to address the low level implication at 5.7. The appendix shows the important changes in grey.

5.9 Members are requested to review the risk management framework attached, comment on any changes required and approve the updated version for publication.

6 Implications

6.1 The proposals outlined in this report have the following implications:

Financial	None directly
Human Resources	None directly
ICT	None directly
Legal	None directly
Procurement	None directly

Jo Stone

Head of Governance and Corporate Services

Background Papers	
Document	**Place of Inspection**

SOUTH YORKSHIRE PENSIONS AUTHORITY

Risk Management Framework

December 2025

Document Control Information	
Document title	Risk Management Framework
Version	December 2025
Status	For Review of Audit & Governance Committee
Owner	Head of Governance & Corporate Services
Department	Resources
Publication date	TBC
Approved by	Audit & Governance Committee
Next review date	December 2026

Version History			
Version	**Date**	**Detail**	**Authors**
December 2023	14/12/2023	Full review and update of the Framework. As approved at a meeting of the Audit & Governance Committee.	Head of Governance & Corporate Services
December 2024	05/12/2024	Minor update only – addition of reference to quarterly review by Local Pension Board.	Head of Governance & Corporate Services
December 2025		Update to include process for closure of risks	Head of Governance & Corporate Services

Contents

1. Foreword

Risk is present in every activity undertaken by the Pensions Authority, and we need to ensure that the risks we face are both recognised and addressed to ensure that we can successfully achieve the strategic objectives set out in our corporate strategy. This policy sets out the framework which we will use to do this. As important as having a clear framework is the attitude we take to risk and the degree of risk we are prepared to accept.

As an organisation responsible for significant investments, we recognise that only by taking some degree of risk will we receive the returns (which are in essence the value of risk) we need to ensure that pensions can be paid. However, it is not our job to take excessive risks and consequently we have defined our appetite for risk as “moderate”. This risk appetite applies to all aspects of our work and very much reflects the culture of the organisation across all aspects of its work.

Having a policy of this sort is crucial to ensuring that we only take risks that are within this risk appetite and that managers across the organisation consistently reflect on risk in their planning anddecision-making processes.

Against this background, where some risk will always exist, SYPA has a duty to manage those risks with a view to safeguarding its employees, protecting its assets, and protecting the interests of stakeholders such as scheme members and employers.

We meet this duty by adopting best practice in risk management which supports a structured and focussed approach to managing risks and ensuring that risk management is an integral part of the governance of the Authority at all levels.

The overall aim is to embed risk management into our processes and culture so that these techniques help us to achieve our corporate objectives and enhance the value of services that are provided to scheme members and employers.

2. The Risk Management Framework

The framework consists of the processes, guidelines and best practice to manage risk effectively while ensuring compliance with relevant regulations and standards.

This framework consists of the following components:

Risk Management Policy Statement	Statement of intent on how SYPA will approach risk.
Risk Management Strategy	Defines the objectives, activities and responsibilities for managing risk and reporting arrangements
Risk Management Process & Guidance	Guidance for staff on how to embed the strategy
Strategic Risk Register	Register which records all corporate risks and who is reponsible for managing them
Operational Risk Register	Register which records all operational risks and who is responsible for managing them
Project/Programme Risk Registers	Register which records all proogramme/project risks and who is responsible for managing them

3. Risk Management Policy Statement and Strategy

SYPA recognises and accepts its legal responsibility to manage its risks effectively, has adopted a proactive approach to well thought through risk taking (balancing opportunity and risk) to achieve its objectives and enhance the value of services to scheme members.

The overall aim being to increase the likelihood of delivering on the corporate objectives by supporting innovation, encouraging creativity, minimising threats and providing an environment where risk management is seen as adding value to service delivery.

Objectives of SYPA'S Risk Management Strategy

- To ensure that appropriate levels of risk management are embedded into the culture and day to day activities of the Authority.
- To raise awareness of the need to manage risks amongst all those concerned with the delivery of the Authority's services, including partners and scheme employers.
- To enable the Authority to anticipate and respond positively to change.
- To establish and maintain a robust framework and procedures for the identification, analysis assessment and management of risk, and the reporting and recording of events based on best practice.
- To ensure the consistent application of this framework and procedures across all aspects of the Authority's work, including significant projects.
- To minimise the costs of risk, while maximising the returns achieved by taking managed risks.

These objectives need to be overlaid onto the objectives set out in the Authority's corporate strategy and it is the combination of these and our risk appetite that will determine how we go about delivering the corporate strategy.

How will we deliver the objectives of the Risk Management Policy and Strategy?

We will take a number of steps to ensure that the objectives of the Risk Management Policy and Strategy are delivered, and that the organisation is aware of the risks which it faces. Principally we will:

- Ensure a consistent approach to recording and monitoring risks by using a risk management software system which will allow a robust reporting overview linked to our strategic objectives.
- Ensure that the management of relevant risks within their sphere of operations is a key accountability of all managers.
- Record, allocate ownership and assess the severity of the key risks facing the organisation in a Strategic Risk Register which will form part of the Corporate Planning Framework.
- Inform and support the strategic risk management process by having a similar process for Operational Risk Registers within each of the services across the organisation.
- Regularly review the Strategic Risk Register (monthly Senior Management Team review and quarterly review by the Authority as part of the corporate performance reporting) in order to ensure that identified mitigations are being undertaken and are resulting in material changes in risk scores, to identify new risks and agree where risks can be removed from the Register.
- Present the Strategic Risk Register to each meeting of the Local Pension Board for their additional scrutiny.
- Regularly review the Operational Risk Registers (monthly reviews by the relevant middle managers and quarterly at Senior Management Team (as part of the framework of Service performance updates). The quarterly update will include any risks that require escalation along with an overview of any risks removed from the operational risk registers.
- Ensure that major projects being undertaken by the Authority have their own risk register maintained by the designated project manager and are reviewed on a regular basis (at least monthly) by the Project Team with reporting to either the relevant Assistant Director or by the Senior Management Team collectively where the project impacts more than one department.
- Assess, as part of the annual corporate planning process, the Authority's risk appetite, and then reflect this assessment in the scoring of the strategic risk register.
- Ensure that all reports for meetings of the Authority, its Committees and the Local Pension Board identify the impacts of proposed actions on the strategic risk register and any specific risks associated with the actions proposed.

How will we know if we have achieved our risk management objectives?

The Risk Management Framework applies to how we do things, rather than what we do, which means that we are only likely to know if the risk management objectives have not been achieved if something goes wrong because we have failed to manage effectively the risks involved.

If we manage to deliver all the various outcomes and outputs within the corporate strategy on time and on budget then self-evidently, we will have managed risk effectively,even though how we have done it may not be particularly apparent. The risk management system will however give a clear overarching assurance of progress in managing both strategic and operational risks.

Thus, the success of this framework should be judged through the overall success of the organisation in delivering its corporate objectives and major projects. The other way of judging the effectiveness of the framework is through the way we operate demonstrating a number of key characteristics which are:

- The work of the organisation being delivered in a consistent and controlled way.
- A structured approach to planning, decision making and prioritisation which recognises the relevant threats and opportunities and drives the allocation of resources.
- A focus on the protection of assets, including the Authority's image/reputation, and knowledge base.
- A focus on achieving maximum operational efficiency.

The effectiveness of management and controls in these areas forms part of the assessment required to produce the Annual Governance Statement and is also reflected in the planned work of Internal Audit and the work external auditors carry out in relation to the Value for Money conclusion.

4. The Risk Management Process

The risk management process requires that every relevant risk:

- Is identified, recorded, described and owned by a named manager.
- Assessed (or scored) in terms of the overall degree of 'concern' regarding the risk.
- Mitigated, and
- Reviewed.

Risks are contained in either:

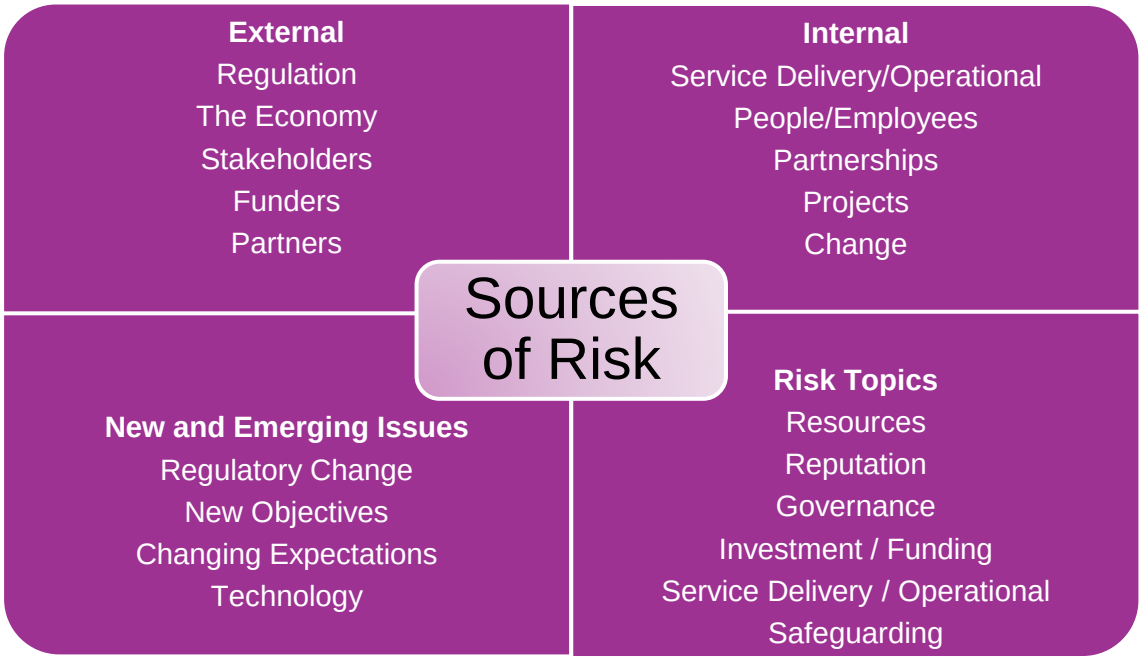
- The Strategic Risk Register.
- The Operational Risk Register.
- A specific risk register linked to a major corporate project.

Each risk must be reviewed on a regular (at least monthly) basis and updated on the risk management system to identify whether the mitigations identified have succeeded in reducing the degree of concern caused by each risk.

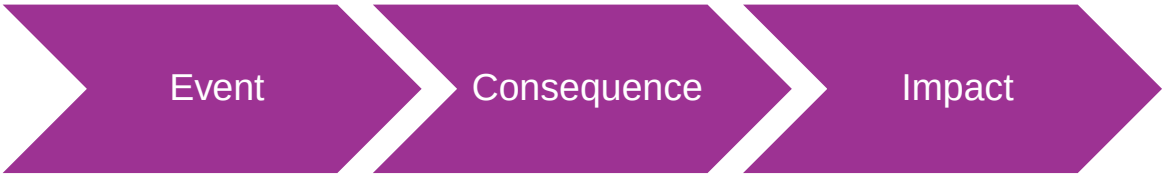
Risk Identification and Recording

Identification of risks will be undertaken by the Senior Management Team in relation to items for inclusion on the Strategic Risk Register, and by the Heads of and Service Managers in relation to items for inclusion on the Operational Risk Register and by the relevant Project Team in relation to project related risks. The relevant team will decide collectively whether the degree of 'concern' associated with each specific issue merits its inclusion on the risk register. The Senior Management Team, Heads of / Service Managers and Project teams may use a variety of methods to identify risks including facilitated workshops, checklists, and process mapping.

No method of risk identification will capture all possible risks, but the graphic below illustrates some of the key sources and types of risk.



In order to properly express the risk, it needs to be considered as an event which if it manifests will have a **consequence** which may then have a negative **impact** on the achievement of the organisation's objectives, as illustrated below.



Risks must be recorded in the risk register once they have been identified. The Strategic Risk Register, Operational Risk Registers and any project risk registers will each have single identified owners responsible for maintaining the integrity of the register including version control, control over additions and deletions and amendments. The information recorded in relation to each risk when added to the register will comprise:

- A clear description of the risk and an appropriate title of the risk event.
- The owner of the risk.
- The control measures currently in place – defined in terms of preventative measures and mitigation measures.
- The score for the risk based on the current controls in place.
- Further control measures to be put in place – also defined in terms of preventative measures and mitigation measures.
- Each of the further control measures must have an owner and a review date.
- The target score for the risk once the further control measures have been put in place.

Any additional mitigation or prevention actions that are significant will be identified for delivery either within the Corporate Strategy or as an objective for an individual member of staff in the appraisal process.

Risk Assessment or Scoring

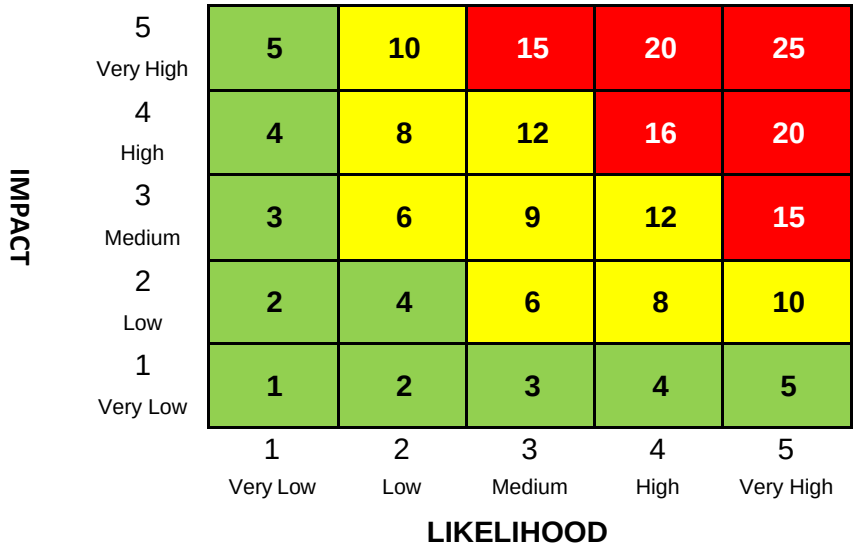
Any risk included in the risk register is likely to be significant, but in order to understand the priority that should be attached to measures for managing any particular risk it is important to understand the relative significance of risks.

This is achieved through a process of assessment or scoring which looks at each risk in two dimensions:

- The likelihood of the risk event taking place; and
- The impact of the event.

The grid below allows an overall risk score to be attached to each identified risk,based on both the current position and the intended (or target) position following the implementation of identified control measures.

Risk Matrix



The definitions of impact and likelihood relating to the work of the Authority are set out in Appendix 1. Because of the different nature of the Authority's investment and other operations, particularly in terms of financial scale, there is a differentiated approach to the metrics used to support the scoring process across the different aspects of the Authority's work.

Risk Management

Each risk recorded should also have one or more actions identified which will reduce either the likelihood or impact of the event. It is important to ensure that each measure to be put in place is proportionate to the risk and that the resources (whether cash or time) required to successfully prevent and/or mitigate the risk are not greater than the potential impact of the risk should the event occur.

Identified preventative and mitigating measures must all have an owner who will be the manager best placed to undertake the required action. In addition, the actions should be SMART, that is:

S–Specific

M –Measurable

A–Achievable

R–Resourced

T–Timebound

The individual performance management process (appraisal and 1:1's) is used to monitor progresson delivery, with major items being reported on through the corporate performance report as these will be reflected as actions within the corporate strategy.

Risk Review

Each risk register (and hence each risk) is subject to a formal review on a not less than monthly basis (for some major projects at some stages of the project life cycle reviews will need to be more frequent). Reviews should be formally recorded in the minutes/notes of the relevant meeting of the Senior Management Team, service area team or project team, prior to the updating of the register.

These records need only refer to amendments agreed to either scoring or control measures, or the addition or deletion of specific risks. The review discussion must consider:

i. Whether the risk continues to be described appropriately. It may be the case that changed circumstances mean a description ceases to be appropriate and therefore the description should be changed.
ii. Whether the risk owner remains appropriate.
iii. Whether the current controls are suitable. For example, have new controls been developed or have current controls failed.
iv. Whether the current and target risk scores are correct / appropriate. For example, have there been “near misses” or changes to circumstances which necessitate a change in the scores.
v. Whether the preventative and mitigating control measures identified are still relevant:
    a. Have actions been completed requiring further control measures to become current controls, which would require a reassessment of the score.
    b. Whether ongoing control actions require a new review date.
    c. Whether the controls owner remains appropriate.
    d. Whether there are new preventative or mitigating measures that can be taken.
vi. Whether there are additional risks to consider for inclusion in the register.
vii. Whether any risks can be closed on the risk register

Following a risk review where amendments have been agreed, the Strategic Risk Register should be updated by each risk owner to reflect the decisions made from the review. The updates must include an indication of the movement in the score for any risk and some commentary as to the changes made and the reasons for them. All of this information is to be captured on the risk management system.

Following each review of Operational Risk Registers or a project risk register, those risks falling outside the defined acceptance levels should be escalated to the Senior Management Team for consideration and possible inclusion in the Strategic Risk Register.

The Governance team will be responsible for ensuring the risk management processes are followed.

Risk Tolerance/Acceptance

It is accepted that there are some risks which must be taken to achieve specific objectives and where the degree of risk cannot be entirely effectively mitigated, however these cases should be relatively rare, and they should be recognised and reported on through the overall reporting processes outlined in this framework. However, in general, the organisation works within an understood risk tolerance or acceptance level (sometimes called a risk appetite), and where risks achieve this level, they can be addressed on a more passive "care and maintenance" basis, allowing resources to be devoted to more urgent priorities.

The risk appetite or tolerance can be defined as the overall level of exposure to risk which is deemed acceptable within the organisation. It is a series of boundaries authorised by Senior Management to give clear guidance on acceptable levels of risk.

Risk appetite is translated into tolerance or acceptance levels which are defined by Current and Target risk assessment scores for individual risks. Risks which fall outside of the agreed tolerance/acceptance levels are reported to senior management, using the model set out below:

Current Score Range	Target Score Range	Actions
1 – 5 (Green)	1-5 (Green)	Monitored and reviewed through risk register reviews
6-12 (Amber)	1-5 (Green)	Managed and monitored through risk register reviews
6-12 (Amber)	6-12 (Amber)	Managed and monitored through risk register reviews
15-25 (Red)	1-5 (Green)	Managed and mitigated through risk register reviews
15-25 (Red)	6-12 (Amber)	Managed and mitigated through risk register reviews
15-25 (Red)	15-25 (Red)	Escalated

All decision-making reports are required to provide details of any potentially significant risks arising from the matters considered in the report. The report must include specific references to the significant risks associated with the proposal, alongside assurances that appropriate control measures are (or will be) in place. This ensures that report authors provide accurate and appropriate information about the management of risk.

Guidance, training, and facilitation

This risk management framework is available to all staff on the organisation's internal SharePoint system.

Specialist training will be provided as required and the Governance team provide guidance, support and advice to middle managers on risk management principles and procedures.

Training can be provided for individual officers or for elected members. Any specific requirements should be discussed with the Head of Governance and Corporate Services.

5. Assurance

The provision of assurance that risks are identified, understood, and appropriately managed is an essential measure of the adequacy and effectiveness of the organisation's risk management arrangements.

The Senior Management Team are responsible for ensuring that the following actions are undertaken to provide appropriate assurance to elected members and other stakeholders.

- An update on changes to the Strategic Risk Register within the Corporate Performance report presented to meetings of the Pensions Authority.
- Presentation of the Strategic Risk Register to meetings of the Local Pension Board.
- A formal review of both the risk register, and the risk management framework presented to the Authority's Audit & Governance Committee annually.
- The inclusion within all reports to the Authority, its Committees and the Local Pension Board of a mandatory section allowing proper consideration of the risks involved in the proposals being made.

In addition, the Authority's Internal Audit function will undertake an independent review of the organisation's risk management arrangements on a regular basis. This review is intended to provide independent and objective assurance regarding the adequacy and effectiveness of the Authority's risk management arrangements. The audit focuses on:

- Verifying the existence of risk registers and relevant action plans.
- Analysing whether risk management is being actively undertaken across the organisation; and,
- Providing appropriate advice and guidance as to further improvements in risk management processes and procedures.

Risk management arrangements are also reviewed as part of the process which supports the production of the Authority's Annual Governance Statement.

Appendix 1

Roles and Responsibilities

The responsibility for managing risk extends throughout the organisation. It is important that all of us are aware of our roles. The following table summarises the various roles and responsibilities.

Role	Responsibilities
Pensions Authority	Responsible decision-makers and set the strategic direction of the Authority, including determination of the risk appetite. Review the Strategic Risk Register on a regular basis. Need to be fully apprised of risk consequences to inform decision making.
Audit and Governance Committee	Scrutinise and monitor the effectiveness of risk management arrangements. Obtain assurance on the effectiveness of risk and internal control arrangements.
Local Pension Board	Consider and challenge the Authority's management of risk. Seek assurance that a strong control framework and good governance arrangements are in place.
Senior Management Team	Demonstrate leadership of the risk management process. Ensure the strategic risk register is a live and up-to-date record of the Authority's risk exposure and regularly discussed within management team meetings. Operate and communicate the organisation's risk appetite. Make informed decisions about treatment of significant risks. Provide assurance to Members that appropriate risk management processes are in place across the Authority.

Role	Responsibilities
Middle Managers	Ensure their service's operational risk register is a live and up-to-date record of the operational risk exposure and regularly discussed within team meetings. Understand where an operational risk has a corporate or strategic impact and escalate accordingly. Contribute to the strategic risk management process through identification and management of risks associated with service area. Ensure relevant staff have appropriate understanding of risk management.
Project Leads	Ensure risk is appropriately considered within business cases and procurement reports submitted. Ensure risks are appropriately monitored throughout the lifecycle of projects. Escalate significant risks to the Senior Management Team.
Risk Owners	Understand their accountability for individual risks and the controls in place to manage those risks. Understand that risk management and risk awareness are a key part of the Authority's culture. Report promptly and systematically to senior management any perceived risks or failures of existing control measures.
Governance Team	Develop and maintain the risk management strategy and framework. Ensure this is reviewed annually by the Authority's Audit & Governance Committee. Support managers in the identification and management of risks at Strategic and Operational level. Ensure training needs of all those who have responsibility for managing risk within the Authority are met.

Appendix 2

Detailed Risk Assessment and Scoring Methodology

A 5 x 5 risk matrix covering **Likelihood** and **Impact** (including 'financial' and 'other impacts') is used when assessing the level of risk.

This analysis should be undertaken by managers and supervisors with **experience in the area in question.**

Likelihood				
Very Low (1)	**Low (2)**	**Medium (3)**	**High (4)**	**Very High (5)**
Less than a 5% chance of circumstances arising OR Has happened rarely/never	5% to 20% chance of circumstances arising OR Only likely to happen once every 3 or more years	20% to 40% chance of circumstances arising OR Likely to happen in the next 2 to 3 years OR Risk seldom encountered	40% to 70% chance of circumstances arising OR Likely to happen at some point in the next 1 to 2 years OR Risk occasionally encountered	More than a 70% chance of circumstances arising OR Potential occurrence OR Risk frequently encountered

Financial and Other Impacts				
Very Low (1)	**Low (2)**	**Medium (3)**	**High (4)**	**Very High (5)**
Less than 1% of budget OR Up to £100,000 OR In terms of Investment Assets: <1% change in asset values	1% - 5% of budget OR Up to £250,000 OR In terms of Investment Assets: >1% but <2.5% change inasset values	6% - 10% of budget OR Up to £1m OR In terms of Investment Assets: >2.5% but <5% change inasset values	11% - 20% of budget OR Up to £5m OR In terms of Investment Assets: >5% but <10% change inasset values	Greater than 20% of budget OR Over £5m OR In terms of Investment Assets: >10% change in asset values

Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Minimal or no effect on theachievement of Authority objectives AND/OR Minimal or no effect on the delivery of Service objectives Little disruption to the deliveryof services Very confident the risk can beimproved AND/OR Very achievable objective Very easily influenced Very tolerable/easy to accept Insignificant injury AND/OR Near miss, no damage incurred to Authority assets Insignificant environmentaldamage Insignificant Reputationaldamage AND/OR No internal coverage/no socialmedia attention	Little effect on the achievement of Authorityobjectives AND/OR Little effect of the delivery ofService objectives Some disruption to the deliveryof services Confident the risk can beimproved AND/OR Achievable objective Easily influenced Tolerable Minor injury AND/OR Incident occurred, minor damage incurred to Authorityassets Minor damage to the immediate local environment Minimal damage to Reputation(minimal negative coverage inlocal press) AND/OR Minimal internal negative coverage/minimal social mediaattention	Partial failure to achieveAuthority objectives AND/OR Partial failure to achieveService objectives Significant disruption to thedelivery of services Moderately confident that therisk can be improved AND/OR Possible to achieve objectiveAble to influence Somewhat tolerable Threat of violence or seriousinjury AND/OR Some damage incurred toAuthority assets Moderate damage to theimmediate or wider localenvironment Significant negative coveragein the local press or minimal negative coverage in regionalpress AND/OR Some internal negative coverage/some social mediaattention	Significant impact on achievingAuthority objectives AND/OR Significant impact on achievingServices objectives Loss of critical services for more than 48 hours, but lessthan 7 days Little confidence the risk canbe improved AND/OR Unachievable objectiveDifficult to influence Out of tolerance but possibleto accept Extensive multiple injuriesAND/OR Significant damage incurred toAuthority assets Major damage to immediate orwider environment Significant negative coveragein regional press AND/OR Significant internal coverage/significant social media attention	Non-delivery of Authorityobjectives AND/OR Non-delivery of Serviceobjectives Loss of critical services forover 7 days Very little confidence that therisk can be improved AND/OR Totally unachievable objectiveVery difficult to influence Out of tolerance- Fatality or multiple majorinjuries AND/OR Total loss of Authority assets Significant damage toimmediate or wider environment Extensive negative coveragein national press and TV AND/OR Extensive internal coverage/extensive socialmedia attention

A numeric value is applied to each of the selections for Likelihood and Impact, these are multiplied together to give the risk score reflected in the matrix below.

Risk Matrix

IMPACT					
5 Very High	5	10	15	20	25
4 High	4	8	12	16	20
3 Medium	3	6	9	12	15
2 Low	2	4	6	8	10
1 Very Low	1	2	3	4	5
	1 Very Low	2 Low	3 Medium	4 High	5 Very High

LIKELIHOOD

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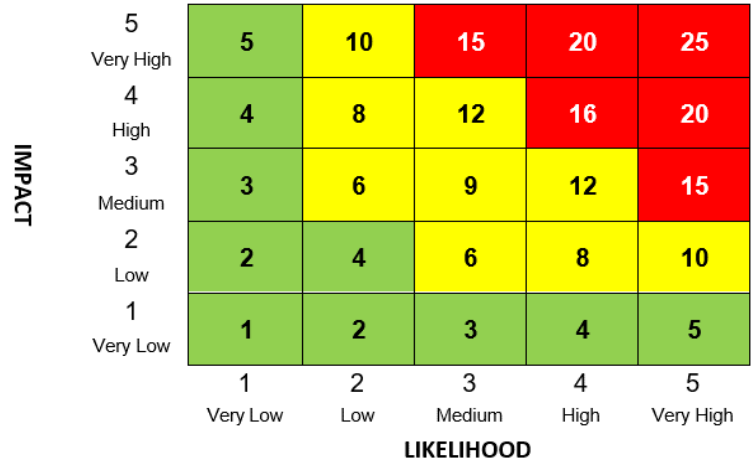
www.sypensions.org.uk

Strategic Risk Register

Generated on: 18 August 2025

South Yorkshire Pensions Authority – Strategic Risk Register

The following report sets out the register of strategic level risks. The risk scores are shown on a matrix of impact and likelihood – this equates to scores as shown on this key:



Next to each current risk score and matrix in the table, an icon is included to show the trend in the score since the previous review.

Indicates no change in score from the previous review.

Indicates the risk score has reduced since the previous review.

Indicates the risk score has increased since the previous review.

The results of the latest review resulted in one risk having the current score increased and one risk having the current score decreased.

This table provides a high-level summary of the risks on the register that follows:

Risk Ref	Risk	Previous Score	Current Score	Risk Rating	Trend
ADM - 001	Poor data quality	12	12		
ADM - 002	Backlogs in work flows	16	16		
ADM - 003	McCloud Rectification	16	16		
GOV - 001	Local Pension Board and Authority Members Knowledge and Understanding	12	12		
GOV - 003	Delivery of Key Objectives in Corporate Strategy	8	8		
GOV - 004	Failure to apply data protection requirements.	12	12		
IAF - 001	Material changes to the value of investment assets and/or liabilities	12	12		
IAF - 002	Failure to mitigate the impact of climate change	20	20		
IAF - 003	Border to Coast Strategic Plan	12	12		
IAF - 004	Imbalance in cashflows	10	15		
IAF - 005	Employer contributions become unaffordable	12	12		
IAF - 010	The Pensions Review	20	12		
ORG - 002	Cyber security attack	16	16		
ORG - 004	Failure of the Authority to comply with relevant Regulations	12	12		
PEO - 002	High level of vacancies within the organisation	9	9		
PEO - 003	Single person risk in specialist knowledge roles	12	12		

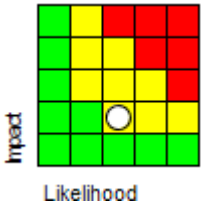
Risk:	ADM - 001 Poor data quality	Risk Owner:	Assistant Director – Pensions
		Last Review:	30-Jul-2025

Risk effect:

Reputational Impact
Regulatory and financial penalties
Failure to deliver key projects such as McCloud rectification on time.
Provision of inaccurate information and payment of benefits to members
Inaccurate data impacting the valuation of liabilities during the triennial valuation.
Increased delays to backlogs contributing to further increases

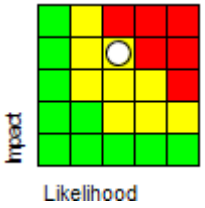
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
Ongoing development of data improvement plan. Dedicated Programmes and Performance Team Use of DART to run daily validations (200) Projects Team resource to target highlighted issues - bulk data corrections. Use of Hymans data cleansing tool as part of valuation process. Targeted overtime with focus on priority workwork	Implementation of front end validation of employer data submissions. Use of DART to run daily validations (200 per day) New system testing, releases and updates Dedicated systems team in place Issues and errors reported to System Providers Checking process in existing systems. Targeted staff overtime worked Capacity exercise outcomes have been implemented and a dedicated team resourced	Further preventative measures to be assessed to address route cause In house system improvements and efficiencies Robust contract management Targeted staff training

Target matrix and score:



Target score = 6

Current matrix and score:



Trend:

Current Score = 12

Commentary from latest review:

Data Quality Strategy authorised and in place,

Data improvement plan in place for Valuation 25. Early feedback from Actuary that the data has improved. Internal feedback from ABS exercise again that data has improved.

Data corrections for annual exercises have been undertaken and are now captured on the Monitoring and Reviewing activity Document.

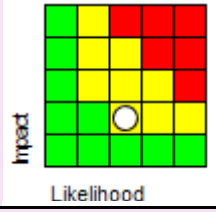
The impact of the Introduction of the Policy and Monitoring can not yet be assessed so there is no justification to reduce the score at present.

Risk:	ADM - 002 Backlogs in work flows	Risk Owner:	Assistant Director – Pensions
		Last Review:	30-Jul-2025

Risk effect: Declines in the overall level of service performance.
Regulatory penalties
Reputational Damage

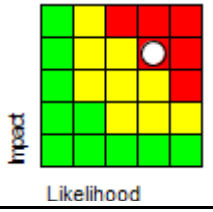
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
Capacity planning exercise has been undertaken. An action plan considering a range of specific actions to address aspects of problems identified has been developed and is being worked through.	Improved processes and staff training Targeted overtime to focused areas Changes to work tray allocations Outcomes of Capacity Planning implemented Dashboard in place for teams to enable close monitoring of workloads in against workloads completed. Pre live launch testing processes in place.	Continuation of implementation of the action plan (particularly the automation of certain bulk processes) will provide some mitigation in the interim Review of processes and policies

Target matrix and score:



Target score = 6

Current matrix and score:



Trend:

Current Score = 16

Commentary from latest review:

The overarching action plan that was approved in February 2024 is being monitored monthly. SMT are passed updates on progress which are discussed at regular meetings.

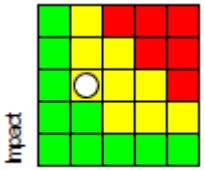
As the budget for overtime had been spent the rate of clearing the backlog cases had slowed. The new Service Manager Benefits set up a Taskforce team (each benefit team rotates monthly) to work solely on this area. Again, progress on this initiative will be closely monitored. It is unlikely the backlog will be cleared by December so there is no justification to reduce the score at this stage.

Risk:	ADM - 003 McCloud Rectification	Risk Owner:	Assistant Director – Pensions
		Last Review:	30-Jul-2025

Risk effect: Timescales to rectify members benefits not met. TPR fines and reputational damage.

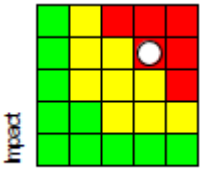
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
	SYPA and other Provider Clients working together to collectively drive the Provider to deliver the developments required to adhere to national guidance	McCloud - Rectification Plan to be implemented and team training put in place
		PA3 Implement the McCloud Remedy successfully.

Target matrix and score:



Target score=6

Current matrix and score:



Trend:

Current Score = 16

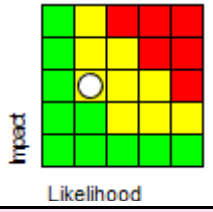
Commentary from latest review: Latest Development delivery delayed further to August 25 into Test. Determination made at April Board to delay rectification to August 2026. But as determination is needed for everyone affected by McCloud a report will also be made to the Regulator in August 2025. Even though we now have longer to deliver this project there is no justification to lower the risk score.

Risk:	GOV - 001 Local Pension Board and Authority Members Knowledge and Understanding	Risk Owner:	Head of Governance and Corporate Services
		Last Review:	31-Jul-2025

Risk effect: Poorly informed decision making
Regulatory / legislative non-compliance
Insufficient questioning and challenge of officers.

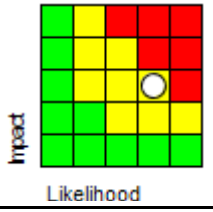
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
Annual effectiveness review and action plan Identify changes to legislation and key regulatory requirements that require enhanced knowledge and skills development Continuation of collaborative engagement of Independent Advisors, Internal Auditors and Officers	Member Learning and Development Strategy and associated mandatory training requirements in place.	Continuous review of the pensions landscape for legislative and regulatory change

Target matrix and score:



Target score = 6

Current matrix and score:



Trend:

Current Score = 12

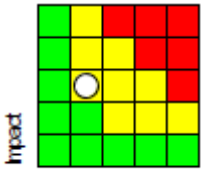
Commentary from latest review: New Members onboarded currently undertaking all mandatory training. Risk should reduce at next quarter reporting. No justification to reduce at this stage.

Risk:	GOV - 003 Delivery of Key Objectives in Corporate Strategy	Risk Owner:	Head of Finance and Performance
		Last Review:	06-Aug-2025

Risk effect: We will not deliver the service to our scheme members set out in our mission statement.

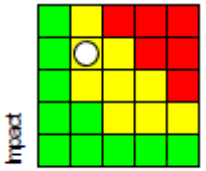
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
Regular monitoring and review of objectives delivery	Programmes and Performance Management Team Established Installed Programmes and Performance Management System Programme Management framework implemented	Performance Framework - Further implement and embed the Framework Programme Management Framework - Further implement and embed the Framework

Target matrix and score:



Target score = 6

Current matrix and score:



Trend:

Current Score = 8

Commentary from latest review:

No update to the correct score - resourcing constraints have continued.

The project management methodology continues to be utilised and evolves. Over time a better picture of what is working well and lessons to be learnt will be worked into the methodology and communicated to the relevant owners of projects. Following discussions, we will be doing a communications piece around encouraging staff to utilise the methodology and ensuring that all key stakeholders are involved.

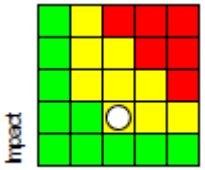
The supplementary performance management framework piece of work is ongoing. Further dashboards are required across the Authority and utilisation of these dashboards is needed. A performance framework tracker is being designed to give clear visibility around which measures have been developed into dashboards and which are still ongoing.

Risk:	GOV - 004 Failure to apply data protection requirements.	Risk Owner:	Assistant Director – Resources
		Last Review:	11-Aug-2025

Risk effect: Financial or Regulatory penalties.
Reputational damage to the organisation.
Inability to deliver the service.

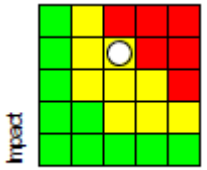
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
Data breach process followed to identify areas for improvement. Close liaison with DPO. Reporting to ICO and implementing any recommendations. Implementation of data recovery plan.	Access to expertise through BMBC Corporate Assurance Team and DPO. ICT control measures. Data protection policies, procedures and training in place. Phase 1 of information governance action plan fully completed. Data Protection Policies implemented and embedded. All mandatory staff training completed including team sessions to raise awareness of new processes.	Information Governance Action Plan Phase 2

Target matrix and score:



Target score = 6

Current matrix and score:



Trend:

Current Score = 12

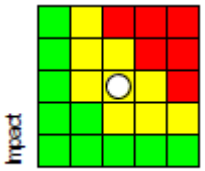
Commentary from latest review: Work on Phase 2 of the Information Governance action plan continues to progress. Teams are now in the process of preparing information asset registers due to be completed by November 2025. This will inform further parts of Phase 2 including data retention policy and procedures. The work will continue over several months and therefore this risk score will not be reduced until complete.

Risk:	IAF - 001 Material changes to the value of investment assets and/or liabilities	Risk Owner:	Assistant Director – Investment Strategy
		Last Review:	23-Jul-2025

Risk effect: Sharp and sudden movements in the overall funding level

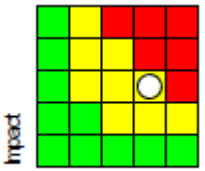
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
Having a diversified Investment Strategy focussed on relatively lower risk and less volatile investments. Element of inflation protection built into the asset allocation both through specific assets (such as index linked gilts) and proxies such as property and infrastructure		Ability to implement protection strategies if market circumstances indicate they are appropriate.

Target matrix and score:



Target score = 9

Current matrix and score:



Trend:

Current Score = 12

Commentary from latest review:

High geopolitical uncertainty remains.

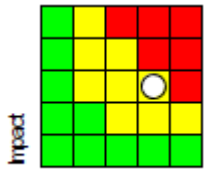
May consider increasing to impact to High should a major market event takes place.

Risk:	IAF - 002 Failure to mitigate the impact of climate change	Risk Owner:	Director
		Last Review:	12-Aug-2025

Risk effect: Significant deterioration in the funding level

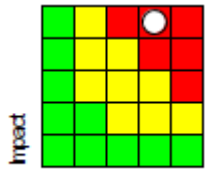
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
Climate Change Policies and Net Zero Goals adopted by both the Authority and Border to Coast. Asset allocation tilted to favour more climate positive investments. Review of Investment Strategy following the 2022 Valuation to integrate the achievement of Net Zero within the Strategic Asset Allocation. Reporting in line with the requirements of TCFD and regular monitoring of the level of emissions from portfolios, with outline targets for reductions.	Climate Change Policies and Net Zero Goals adopted by both the Authority and Border to Coast	Additional engagement with Border to Coast to identify potentially climate positive investments. Analysis of end of year climate data to gain a detailed understanding of the current emissions trajectory. Clear targets for emission reduction to be set for remaining portfolios.

Target matrix and score:



Target score = 12

Current matrix and score:



Trend:

Current Score = 20

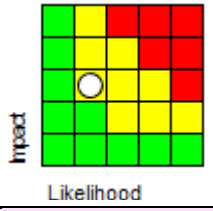
Commentary from latest review: As previously indicated it will be possible to reassess both the likelihood and impact of this risk in the light of the detailed analysis that will accompany the valuation and the investment strategy review which should be available in Q1 of 2026. The ability to directly impact this risk through the Authority's own actions is relatively limited.

Risk:	IAF - 003 Border to Coast Strategic Plan	Risk Owner:	Director
		Last Review:	01-Jul-2025

Risk effect: Decline in investment performance.
Increased costs as a result of the need to move to more expensive products.
Potential changes in the risk and volatility levels within the portfolio

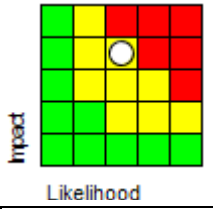
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
Programme of specific risk mitigations agreed as part of the 2022 - 2025 Strategic Plan and Budget	Process of engagement between the Company and stakeholders to agree the Company's Strategic Plan and Budget containing appropriate mitigations. Succession and contingency planning arrangements in place within the Company Ongoing monitoring of Programme of specific risk mitigations set out in 2022 - 2025 strategic plan	

Target matrix and score:



Target score = 6

Current matrix and score:



Trend:

Current Score = 12

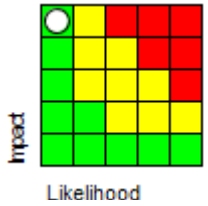
Commentary from latest review: There is currently no justification for altering the risk score. The position will be clearer at the end of quarter 2. The introduction of a number of new partners and the need to transition their assets into the pool could result in delays to the delivery of investment propositions and other services which are central to the Strategic Plan and important to SYPA in terms of ability to deliver its investment strategy. This area will be kept under continuous review.

Risk:	IAF - 004 Imbalance in cashflows	Risk Owner:	Assistant Director – Investment Strategy
		Last Review:	23-Jul-2025

Risk effect: Inability to pay pensions without resorting to borrowing or "fire sale" liquidation of investments.
Potential negative impacts on individual pensioners.

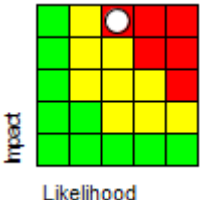
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
Process for monitoring and forecasting cashflows	Maintenance of "cash buffer" of liquidity sufficient to cover more than one monthly payroll.	Further improvements in cashflow forecasting
		Implementation of strategies to more regularly harvest income from investments

Target matrix and score:



Target score = 5

Current matrix and score:



Trend: ⇧

Current Score = 15

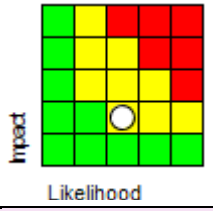
Commentary from latest review: Current understanding is that our income from employer contributions will reduce by £100m p.a. due to our strong funding level. This is likely to materially increase cashflow requirements from our assets.

Risk:	IAF - 005 Employer contributions become unaffordable	Risk Owner:	Assistant Director – Pensions
		Last Review:	30-Jul-2025

Risk effect: Increased contribution rates to the extent that they become unaffordable.
Default on the making of contributions by employers

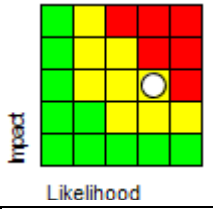
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
Phasing of increases and stabilisation mechanism in the valuation Negotiated exit depending on the type of employer Ability to undertake contribution reviews	Investment strategy that is focused on long term returns and reduced volatility Reviews of employer covenant and ongoing monitoring of funding levels	More systematic review of employer covenants More systematic use of the funding monitoring tools that the actuary gives us access to

Target matrix and score:



Target score = 6

Current matrix and score:



Trend:

Current Score = 12

Commentary from latest review:

The overall financial environment for public services means that it is increasingly likely that some employers will find contributions affordability an issue.

Covenants are monitored. Work is underway on the 2025 Valuation and communication plans in place and on target. Main Employers on the stabilisation mechanism have challenged rates. Smaller employers are yet to receive their rates.

Employer services have allocated named officers to all employers and engagement has increased.

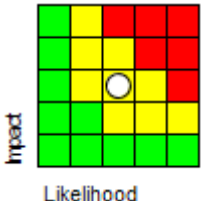
There is no reason at this point in time to reduce the risk especially being a valuation year and the majority of employer contribution rates from 1 April 26 should reduce.

Risk:	IAF - 010 The Pensions Review	Risk Owner:	Director
		Last Review:	24-Jul-2025

Risk effect: Destabilisation of the B2C pensions partnership.
Inability to deliver the investment strategy.
Regulatory action against the Authority if we fail to meet the Governance standard

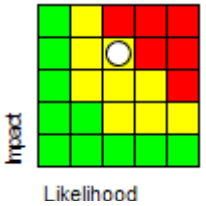
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
		Ensure that steps are taken to address requirements as far as possible in advance of regulation
		Influence Final Guidance and Regulation

Target matrix and score:



Target score = 9

Current matrix and score:



Trend: 

Current Score = 12

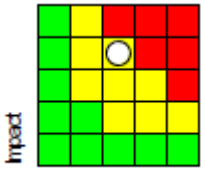
Commentary from latest review: The position in terms of new partners joining the Border to Coast partnership is now clearer and this gives a degree of confidence that it will be possible to maintain consensus around the development of future investment propositions. However, there remains a risk that the concentration of effort required to transition new partner assets will result in a lack of resource to focus on the nest stages of product development although the Company are putting in place mitigations for this risk.

Risk:	ORG - 002 Cyber security attack	Risk Owner:	Head of ICT
		Last Review:	30-Jul-2025

Risk effect: Significant disruption to the provision of services.
Loss / unauthorised release of key data.
Reputational damage and financial penalties

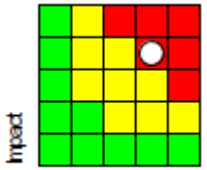
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
Effective ICT business continuity plan in place. Incident response retainer with specialist security provider Cyber Security Incident Management Policy in place. Further enhancement of Cyber Security defences	Regularly updated policies, software and hardware e.g. firewalls etc. to ensure multi layer cyber security defences. Regular penetration testing. Cyber Security Essentials Plus Certification Regular refresher training on cyber security for all staff with a requirement to achieve a minimum level of pass. Policies and Codes of Practice in place Targeted threat protections Regular internal and external audits	Development of Internal Facing Cyber Security Strategy

Target matrix and score:



Target score = 12

Current matrix and score:



Trend:

Current Score = 16

Commentary from latest review: Further enhancements to cyber security defences continue to be explored, including the development of an internal facing cyber strategy.

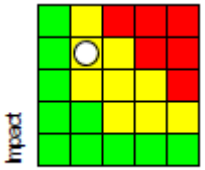
At this stage there is no justification to reduce the risk score.

Risk:	ORG - 004 Failure of the Authority to comply with relevant Regulations	Risk Owner:	Head of Governance and Corporate Services
		Last Review:	31-Jul-2025

Risk effect: Enforcement action by relevant regulatory authorities

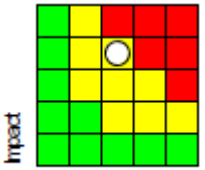
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
		Delivery of additional Data Protection training in roles and responsibilities for all staff, middle managers, and SMT
		Implement and embed the Information Governance action plan in collaboration with Internal Audit at each stage of review
		More detailed assessment of compliance with emerging regulatory requirements. TPR Single Code with associated action plan and enhanced regular reporting

Target matrix and score:



Target score = 8

Current matrix and score:



Trend:

Current Score = 12

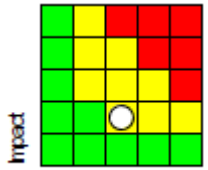
Commentary from latest review: Whilst significant improved compliance against the TPR code there are still some outstanding items that are targeted for completion by Dec 2025. There is no justification for change in score at this stage.

Risk:	PEO - 002 High level of vacancies within the organisation	Risk Owner:	Assistant Director – Resources
		Last Review:	11-Aug-2025

Risk effect: Inability to deliver the service
Negative impact on staff wellbeing
Poor staff retention resulting in loss of specialist knowledge

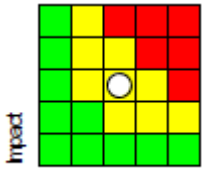
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
Capacity planning to identify additional resources. Regular one to ones, review of workload and work life balance. Promotion of wellbeing initiatives. Provision of Counselling, Occupational Health and Employee Assistance Programme. Investment in training and development. Market supplements to secure specialist roles. Develop action plan following 2023 employee survey	Career grade scheme in place to develop in house specialists. Targeted advertising including using social media Introduction of hybrid working and existing flexi scheme. Increase in staffing following capacity planning outcomes.	Develop talent attraction via Employee Value Proposition

Target matrix and score:



Target score = 6

Current matrix and score:



Trend:

Current Score = 9

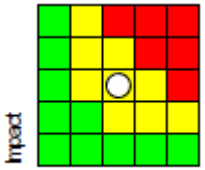
Commentary from latest review: There is no change to the assessment at this quarter. Work on the linked actions - including career grade scheme, workforce plan and delivery of the People Strategy - continues to progress but there is no justification to change the risk score at this stage.

Risk:	PEO - 003 Single person risk in specialist knowledge roles	Risk Owner:	Assistant Director – Resources
		Last Review:	11-Aug-2025

Risk effect: Failure to deliver service and reduced service quality.
Reputational damage.
Impact on staff morale and wellbeing.

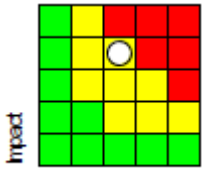
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
Organisational Resilience Plan. Lessons learned to identify single points of failure. Ability to call on external third party support. Regular one to ones, review of workload and work life balance. Promotion of wellbeing initiatives. Provision of Counselling, Occupational Health and Employee Assistance Programme. Arrangements for third party support are in place where appropriate	Revised pay and benefits package Range of policies for supporting wellbeing Documented procedures and work instructions Learning and development plans and knowledge transfer	Identify Single Person Risk Knowledge Transfer Succession Planning

Target matrix and score:



Target score = 9

Current matrix and score:



Trend:

Current Score = 12

Commentary from latest review:

As per most recent update, the actions required for mitigating this risk are not yet sufficiently progressed to justify a reduction in score.

Actions are planned - linked to both business continuity and workforce planning - to undertake more detailed assessment of identified single person risks in each department and service area. Progress update on these will be provided in the next quarterly review of this risk.

SOUTH YORKSHIRE PENSIONS AUTHORITY

Subject	**Progress on Agreed Management Actions**	**Status**	For Publication
Report to	Audit & Governance Committee	**Date**	04 December 2025
Report of	Head of Governance and Corporate Services		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Annie Palmer	**Phone**	01226 666404
E Mail	APalmer@sypa.org.uk		

1 Purpose of the Report

1.1 To update Members on the actions being taken in response to audit review findings during the current financial year and in previous financial years.

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2 Recommendations

2.1 Members are recommended to:

a. Note the progress being made on implementing agreed management actions; and

b. Consider if any further information or explanation is required from officers.

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3 Link to Corporate Objectives

3.1 This report links to the delivery of the following corporate objectives:

To maintain an investment strategy which delivers the best financial return, commensurate with appropriate levels of risk, to ensure that the Fund can meet both its immediate and long term liabilities.

Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times.

3.2 The reporting of audit findings and management actions being taken to address these is a key part of providing assurance on the adequacy of the Authority's corporate governance arrangements, particularly those relating to internal control and financial and risk management.

4 Implications for the Corporate Risk Register

4.1 The contents of this report do not link to a specific risk in the corporate risk register; instead, they set out the actions being taken in a number of areas that will contribute to addressing various risks in relation to operations and governance as detailed in the original audit reports.

5 Background and Options

5.1 The Authority's Local Code of Corporate Governance sets out the framework in which the Authority complies with the seven principles of good governance; one of which is "*managing risks and performance through robust internal control and strong public financial management*." One aspect of achieving this is having arrangements for assurance and effective accountability in place and ensuring that findings arising from the work of both external audit and internal audit are acted upon.

5.2 The Audit & Governance Committee receives reports of the external auditor and of the Head of Internal Audit at regular intervals throughout the financial year. The report attached at Appendix A summarises the actions taken, and progress being made on implementing the actions agreed in response to internal audit findings.

Actions Completed

5.3 The table at Appendix A shows that three actions have been completed since the October 2025 update report was presented to members. All three of the actions, which are in relation to three separate Audit reviews, have been added since September 2025 and completed on or before target dates.

Actions Not Yet Due

5.4 Appendix A also sets out any actions that are not yet due along with the target completion dates:

- Action 1 - Budget Management and Monitoring is an existing action that has an extended target date.
- Action 2 - Cyber Security Risk Assessment Policies is a new action that was agreed and added to the report in November 2025.

5.5 The target dates for both of these actions reflect the scale of the implementation required and will continue to be monitored and progress reported on in future updates.

5.6 The progress of implementing agreed management actions will continue to be reported to the Audit & Governance Committee at regular intervals.

6 Implications

6.1 The proposals outlined in this report have the following implications:

Financial	No additional financial implications; the costs of the internal audit service and the fees for the external audit are met from existing budgets.
Human Resources	None
ICT	None
Legal	None
Procurement	None

Jo Stone

Head of Governance & Corporate Services

Background Papers	
Document	**Place of Inspection**
None	-

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Outstanding Actions Due by December 2025

None

Actions Fully Completed Since Last Report

Audit Review Title: Fund Contributions - Accuracy of Pension Contributions Issued Date: October 2025			
Finding: Lack of one employer's engagement in the audit. **Implication:** Inability to provide management with the assurance that monthly pension contributions have been correctly calculated.			
Priority	**Agreed Action**	**Progress Against Action**	**Officer Responsible and Timescale**
Medium	To communicate our disappointment in the lack of engagement for this audit to the Employer and also inform the DfE.	Employer has been contacted regarding their lack of engagement and the DfE have been emailed and a response received for further information on the Breach. An article in the Novembers Employer Newsletter mentions the importance of engagement with Audit and a reminder article will be placed in the July Newsletter each year. **AMA Completed**	Service Manager – Employer Services **Completed October 2025**

Audit Review Title: Cybersecurity - Extended Procedure Delay Issued Date: November 2025			
Finding: Large gaps between planned annual testing. **Implication:** Potential impact on Business Continuity due to increased risk of system back-up failures occurring in a live incident.			
Priority	**Agreed Action**	**Progress Against Action**	**Officer Responsible and Timescale**
Medium	The annual back-up and restoration data testing has been booked and scheduled for completion within the Authority by the end of November, with the testing scheduled to be completed across two days (19th and 20th November 2025).	Disaster recovery testing was successfully completed on 19–20 November 2025. All relevant systems, services, and applications were restored to the Virtual Recovery Platform (VRP) within the Recovery Time Objectives (RTOs) defined in the SYPA Business Continuity Plan 2025. Annual testing will form part of the ICT – Infrastructure annual work schedule moving forward. **AMA Completed**	Service Manager – ICT Infrastructure **Completed November 2025**

Audit Review Title: Pensions Review Process - Child Pensions - SMT Reporting Issued Date: September 2025			
Finding: Failure to provide Senior Management with detailed information on the outcome of the Child Pension exercise. **Implication:** Management's ability to effectively manage the recovery of overpayments made, and the financial / reputational position of the Authority.			
Priority	**Agreed Action**	**Progress Against Action**	**Officer Responsible and Timescale**
Medium	Report to be developed to inform SMT on the outcome of the Child Pension exercise, including how any issues arising from the exercise will be addressed.	This AMA is now complete - reports are checked by projects team to prevent overpayment of child pensions. A report is now presented to SMT periodically on the position of all children's pensions. **AMA Completed**	Service Manager - Benefits **Completed October 2025**

Summary of Agreed Actions Not Yet Due

	Audit Title	Summary of Agreed Action	Owner and Target Timescale
1	Budget Management and Monitoring	Ensure proactive ownership and involvement of budget holders in setting and monitoring budgets. **Update** - The roll-out of the eProcurement system has now taken place across the Authority, meaning budget holders now have access to the Finance system. The only final outstanding element of the AMA is: *Developing and delivering training for these budget holders – both on how to use the system and on budget management / monitoring.* We are currently engaging the Finance software provider to develop the reports and dashboards that will enable budget holders to actively monitor their budgets in the system from Q1 2026/27. Alongside this piece of work we are pulling together a training plan involving both external specialists and internal specialists to develop the budget holders' skills and confidence. The target implementation date has been revised to 31 July 2026 to allow for training and development.	Head of Finance & Performance Revised from 31 December 2025 to 31 July 2026
2	Cyber Security Risk Assessment Policies	A suite of documentation and formal procedures will be developed to enable the standardisation of the process across the Authority enabling consistency across all services areas. Work is in progress but due to the scale of the implementation, this has been given an implementation target date of September 2026.	Head of ICT 30 September 2026

SOUTH YORKSHIRE PENSIONS AUTHORITY

Subject	**Local Code of Corporate Governance**	**Status**	For Publication
Report to	Audit and Governance Committee	**Date**	04 December 2025
Report of	Head of Governance and Corporate Services		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jo Stone Head of Governance and Corporate Services	**Phone**	01226 666418
E Mail	jstone@sypa.org.uk		

1 Purpose of the Report

1.1 To present the updated Local Code of Corporate Governance for review.

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2 Recommendations

2.1 Members are recommended to:

a. Review and approve the updated Local Code of Corporate Governance for publication.

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3 Link to Corporate Objectives

3.1 This report links to the delivery of the following corporate objectives:

Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times.

4 Implications for the Corporate Risk Register

4.1 There are no implications for the Corporate Risk Register.

5 Background and Options

5.1 The Local Code of Corporate Governance is reviewed and updated biennially. This action has now been undertaken, and the updated Local Code is presented at Appendix A for Members' review and approval.

5.2 The CIPFA / SOLACE Good Governance Framework sets out requirements based on seven key principles and requires that local authorities should:

a. Review existing governance arrangements;
b. Develop and maintain an up-to-date local code of corporate governance, including arrangements to ensure ongoing effectiveness; and
c. Report publicly on compliance on an annual basis.

5.3 This report is part of fulfilling the second requirement from this list by updating the Local Code from the last time it was reviewed in 2023.

5.4 The Local Code describes how South Yorkshire Pensions Authority discharges its responsibilities in meeting the seven principles of delivering good governance, by identifying sources of evidence of compliance and assurance.

5.5 These details have been fully reviewed and updated as necessary to reflect improvements and any other changes made since the last review. Please note the highlighted recommended revisions.

5.6 The Annual Governance Statement, which forms part of the Authority's Statement of Accounts, demonstrates on an ongoing basis how the Authority is complying with this Local Code.

5.7 Members are asked to approve the Local Code of Corporate Governance.

6 Implications

6.1 The proposals outlined in this report have the following implications:

Financial	None
Human Resources	None
ICT	None
Legal	None
Procurement	None

Jo Stone, Head of Governance and Corporate Services

Monitoring Officer

Background Papers	
Document	**Place of Inspection**

SOUTH YORKSHIRE PENSIONS AUTHORITY

Local Code of Corporate Governance

December 2025

Document Control Information	
Document title	Local Code of Corporate Governance
Version	December 2025
Status	Draft for Audit & Governance Committee
Owner	Head of Governance and Corporate Services
Department	Resources
Publication date	TBC
Approved by	
Next review date	December 2027

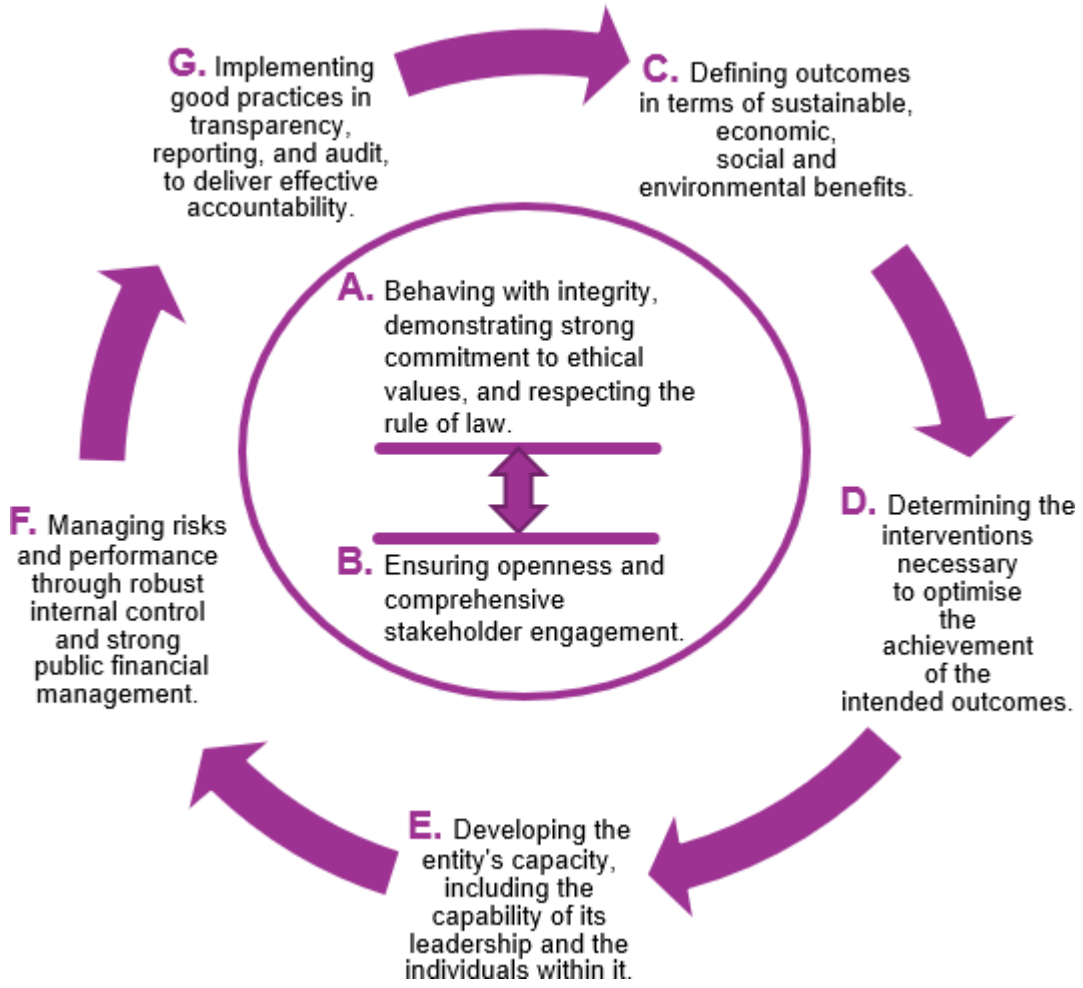
Local Code of Corporate Governance

Governance is about how South Yorkshire Pensions Authority (SYPA) ensures that is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest, and accountable manner.

SYPA is committed to upholding the highest possible standards of good corporate governance, believing that good governance leads to high standards of management, strong performance, effective use of resources, increased public involvement and trust in SYPA's good outcomes.

Good governance flows from shared values, cultures, and behaviour and from systems and control measures. This Code of Corporate Governance is a public statement that sets out the framework through which SYPA meets its commitment to good corporate governance.

Good corporate governance can be summarised as *"achieving the intended outcomes while acting in the public interest at all times"* (CIPFA / IFAC International Framework: Good Governance in the Public Sector (2014)). In this sense good corporate governance is founded on seven key principles as set out in the diagram below:



Source: International Framework: Good Governance in the Public Sector (CIPFA/IFAC 2014)

The International Framework states that *"acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders."*

The international framework has been transposed into UK professional standards in the CIPFA / SOLACE framework "*Delivering good governance in Local Government*" (2016) which applies to all local government bodies including joint authorities such as the South Yorkshire Pensions Authority.

The framework and the associated guidance are not a prescriptive checklist, and it is for each individual organisation to apply the framework to its own context.

This *Local Code of Corporate Governance* describes how South Yorkshire Pensions Authority discharges its responsibilities in this respect, by identifying sources of evidence of compliance and assurance in relation to each of the seven principles and supporting defining factors within the framework. The Annual Governance Statement, which forms part of the Authority's Statement of Accounts, demonstrates on an ongoing basis how the Authority is complying with this code. In addition, the Code itself will be reviewed on a regular basis.

Key governance principles and supporting actions and behaviours:	How do we achieve this?
A. Behaving with integrity, demonstrating. strong commitment to ethical values, and respecting the rule of law	➢ Codes of conduct covering the behaviour of both members and officers, form part of the Constitution, with appropriate mechanisms for ensuring that action can be taken where transgressions are reported. For officers these are reinforced through a framework of values and behaviours, including specific management behaviours, which are reflected upon at individual level as part of the appraisal system. ➢ The standing orders set out the required standards of conduct at meetings. ➢ A member induction and development programme is in place. ➢ Maintains the SYPA's Constitution, setting out how decisions are made, and the procedures followed to ensure that these are efficient, transparent, and accountable to local people. ➢ Incorporates in the Constitution a formal scheme of delegation, setting out the delegated powers of the Authority's most senior officers. ➢ As required under local government law, elected members are required to complete declarations of interest which are publicly available and to declare any conflicts which might arise in discussion of specific matters at meetings of the Authority and its committees. Similar arrangements apply to members of the Local Pension Board, under requirements governed by the Local Government Pension Scheme regulations and the Public Service Pensions Act 2013. ➢ Registers of potential conflicts, including personal relationships, for staff and a register of gifts and hospitality for both staff and officers. ➢ Annual monitoring and collation of Diversity, Equality and Inclusion (DEI) data for Authority and Local Pension Board members. ➢ A comprehensive policy framework in relation to issues such as fraud and corruption and a Whistleblowing Policy should any individual wish to make a confidential disclosure. Complaints policies in relation to quality of service, and statutory appeals processes in relation to decisions made under the Pensions Regulations. ➢ The Authority operates with an extremely strong value base in relation to ethical standards and values reflecting the seriousness of its responsibility as steward of the pension savings of a very large number of individual scheme members. The values and behaviours framework are central to both the Corporate Strategy and the appraisal process and the wider policy and constitutional framework covering issues such as recruitment and selection and procurement. The Authority also seeks to bring its commitment to these values into the role it plays within any partnership in which it participates, particularly the Border to Coast Pensions Partnership which is central to the delivery of its corporate objectives.

Key governance principles and supporting actions and behaviours:	How do we achieve this?
	➢ The Authority ensures that it is aware, through the employment of specialist officers and advisers, of the statutory requirements which are placed upon it and takes steps to ensure that it complies with them in an open and transparent way. This includes the maintenance of an up-to-date Constitution which is regularly reviewed and includes definitions of both the Corporate Planning Framework and Pensions Policy Framework, together with terms of reference for committees and an appropriate scheme of delegation to officers. ➢ The Authority maintains up to date role profiles for all posts within the organisation and ensures that it has appropriately qualified statutory officers in post who are able to operate in a way which complies with the relevant professional codes. ➢ Formal records are kept of decisions taken by both officers and members together with the advice considered in making such decisions. ➢ The Authority has a formal policy on the reporting of breaches of the relevant pension regulations and any breaches which occur are reviewed by the Local Pension Board at each of its meetings. The Authority also has clear and effective policies in relation to fraud and corruption and participates in the National Fraud Initiative.
B. Ensuring openness and comprehensive stakeholder engagement	➢ The Authority seeks to be as open as possible with stakeholders, conscious that it is the steward of the savings of over 180,000 individuals, working for close to 650 different employers. To this end it complies with its obligations under the Freedom of Information Act and makes a considerable volume of information automatically and freely available through its website. The Freedom of Information Act Publication Scheme, which specifies the information published by the Authority and how to access this, is used as one means of signposting information electronically. ➢ This includes a range of information on investment holdings, performance, the policy frameworks, and responsible investment issues such as how shares have been voted. ➢ Meeting agendas and papers for the Authority, the various committees and the Local Pension Board are published online a week before each meeting and all meetings are open to the public, and webcast. ➢ Key decisions made by officers are formally recorded and details published on the website. ➢ To promote clarity in the information provided to support decision making, reports for decision making bodies follow a standard format which ensures that, for example, implications for the financial position of the Authority of a decision are clearly explained. In addition, all reports for decisions are required to outline relevant risk considerations, so that these can be understood by decision makers. All reports must be reviewed and cleared by the statutory officers prior to submission to elected members for decision. ➢ The Authority has in place clear protocols regarding its participation as a Partner Fund in the Border to Coast Pensions Partnership. Clearly defined roles are set out for each participant in the Partnership in its Governance Charter and the relevant legal agreements. Regular reports are provided to the Authority by officers on the activity and performance of

Key governance principles and supporting actions and behaviours:	How do we achieve this?
	the Partnership, including a comprehensive annual review which considers the achievement of both the Authority's and the Partnership's objectives. ➢ To ensure the views of stakeholders are considered in a systematic way by decision makers when relevant, the Authority has adopted a Communications and Consultation Strategy which provides a standard framework for engaging with stakeholders. ➢ A communications team is in place, increasing the professional resource available to focus on our corporate communications with all our stakeholders. ➢ Resources are specifically allocated to engagement with employers to support the maintenance of a productive and supportive relationship between them and the Authority. All engagement with employers takes place within the context of the Consultation, Communications and Engagement Strategy which requires the results of any consultation process to be reported back alongside the actions proposed following the consultation. ➢ Emphasis is placed on increasing the volume and improving the quality of interaction with employers and an employer forum session and surveys have been undertaken during the year. The Authority's website includes an area for employers and an employer newsletter is sent to all employers quarterly with updates on relevant information, training, and events. ➢ There is a current focus on monitoring the performance of employers in relation to data submission; including quality, timeliness and resolving queries; and reporting on this to the Local Pension Board. ➢ The processes for engaging with and understanding the views of scheme members are also set out in the Communications and Consultation Strategy. ➢ Interaction with scheme members includes offering appointments to meet with staff either through remote meeting sessions or in-person appointments at our office in Barnsley. ➢ The Authority's complaints and appeals processes are available to scheme members in relation either to quality of service, or specific decisions made under the LGPS regulations. Information from the complaints and appeals processes forms part of the Authority's performance management framework and influences the development of policy, practice, and processes, including specific projects reflected in the Corporate Strategy. ➢ As part of its assurance and scrutiny role, the Local Pension Board receives a quarterly report outlining the nature of all breaches of laws and regulations, appeals and complaints data and the subsequent actions and learning, as well as quarterly information on the results of various rolling customer satisfaction surveys which examine specific aspects of the service to scheme members, detailing information on learning and actions from this feedback.

Key governance principles and supporting actions and behaviours:	How do we achieve this?
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits	➢ The Authority sets out a clear vision supported by specific objectives for achieving that vision within its Corporate Strategy, which is at the heart of its corporate planning framework. Delivery against these objectives and key quality of service standards is reported quarterly to members of the Authority within a comprehensive report, allowing action to be taken to address any variations if required. All activity is undertaken within a risk management framework which covers all aspects of the Authority's work. ➢ The Authority's Responsible Investment Policy sets out how it reflects the balance between economic, social, environmental and governance issues within its investment decision making process and the areas where it seeks to move partners within the Border to Coast Pensions Partnership to a shared position. Responsible investment is central to the Authority's approach to the management of the funds for which it is responsible, and it is an active participant in a range of initiatives which seek to support the achievement of its objectives in this area. ➢ The Authority became a signatory to the FRC's Stewardship Code in February 2025 and reports annually on how it has exercised its stewardship responsibilities in line with the Code's framework. Additional detail on the Authority's approach to climate-related governance, strategy, risk management and progress on Net Zero targets is available in our standalone Task Force on Climate-related Financial Disclosures (TCFD)report, published annually on our website. ➢ The Authority's decision making on key issues of this sort is transparent, with appropriate decisions either taken in public meetings or published and supporting information placed in the public domain whenever possible. (Exceptions to this are limited and would include, for example, commercially sensitive market information that cannot be made public). ➢ The Authority actively engages with groups seeking to influence its policies in different ways and uses its Consultation, Communications and Engagement Strategy to seek views on issues where appropriate and to consider differing views when making decisions. ➢ Beyond the investment sphere, the Authority maintains a DEI Scheme to guide its approach to the delivery of fair access to its services for any individual with a protected characteristic.
D. Determining the interventions necessary to optimise the achievement of the intended outcomes	➢ The Authority's officers ensure that when making decisions, elected members have access to as much objective information as possible, as well as to the views of appropriately skilled and experienced independent advisers where specialist areas such as investment strategy are under consideration. Where members require additional information, officers agree specific timescales for its provision. ➢ The corporate planning process and the medium-term financial strategy are how the Authority agrees the relative priority and resource requirements of specific interventions. ➢ The Authority has a well-defined and robust corporate planning framework with the review cycle linked at a high level

Key governance principles and supporting actions and behaviours:	How do we achieve this?
	to the major cyclical events impacting its operations (principally the triennial actuarial valuation of the Pension Fund). This framework is supported by well-established consultation arrangements ensuring that stakeholder views can influence plans where appropriate and a risk management framework that ensures that both risks to service delivery and risks impacting the assets and liabilities of the Pension Fund can be addressed holistically. ➢ A robust framework for monitoring the delivery of all the various plans and strategies is in place with a comprehensive report including both financial and performance information presented to the Authority on a quarterly basis with more detailed reports covering pension administration presented quarterly to the Local Pension Board and on investment performance to the Authority. These reports highlight deviations from plans and identify and assess the risks relevant to the achievement of objectives as well as including information around feedback received and how it has been acted on. ➢ The Authority's medium-term financial strategy and corporate strategy draw on inputs from both stakeholder feedback mechanisms, the views of elected members and the Senior Management Team's assessment of developments in the wider external environment to direct resources to address priority areas. The medium- term financial strategy examines both the Authority's operating budget and the financial position of the Pension Fund ensuring that all areas of cost and income are fully considered. Strong budgetary control is evident, and managers are conscious of the need to demonstrate financial probity. ➢ In addition, given the centrality of being a responsible investor to the way in which the Authority invests the Pension Fund, regular publicly available reports are provided to the Authority detailing responsible investment activity undertaken and the outcomes achieved through this activity. These include summaries of the Fund's votes at company annual meetings. As part of this approach the Authority subscribes to the principles set out in the FRC's Stewardship Code which requires investors to report to stakeholders in a clear way on how they have managed the funds for which they are responsible. The Authority was accepted as a signatory to the Stewardship Code in February 2025. Signatories are required to report every year to the FRC on their application of the Code; only organisations that meet the reporting expectations are accepted as signatories.
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	➢ The Authority has strong constitutional arrangements in place including an effective scheme of delegation, financial regulations and contract standing orders that define which individuals can take which decisions. These arrangements are subject to regular review. ➢ Clear role profiles are in place for all posts within the organisation, which are linked to a consistent organisational design framework. The Director's role profile is agreed with elected members. This and the Constitution clearly set out the dividing lines between member and officer responsibilities. Means of maintaining regular dialogue between the

Key governance principles and supporting actions and behaviours:	How do we achieve this?
	Director and the Chair are agreed with each Chair on their taking office. ➢ The Director is designated as the Head of Paid Service and holds the role of Clerk and all duties as outlined in the Constitution. ➢ The role of Monitoring Officer is undertaken by the Authority's Head of Governance and Corporate Services. The role holder has completed a professional accredited Diploma in Corporate Governance delivered by CIPFA and is supported in keeping CPD up-to-date. ➢ The role of Chief Finance Officer (under s.73 of the 1985 Local Government Act), is undertaken by the Authority's Assistant Director – Resources who is CIPFA qualified and is supported in maintaining up-to-date CPD. The Head of Finance and Performance is the designated Deputy Chief Finance Officer and is also CIPFA qualified and is supported in maintaining up-to-date CPD. ➢ The Authority's statutory role holders – the Director as Head of Paid Service and Clerk, the Head of Governance and Corporate Services as Monitoring Officer and the Assistant Director – Resources as Chief Finance Officer, meet on a quarterly basis. ➢ Independent advisers with suitable skills and experience are employed to support both the Local Pension Board and the Authority. ➢ Training for the LPB and the Audit & Governance Committee is provided to enable them to provide more effective challenge. Bite sized training modules are delivered to the LPB and the Audit & Governance committee in key specific areas relevant to their annual work programme's. ➢ Effectiveness reviews are undertaken annually to ensure the Authority, LPB and the Audit & Governance Committee's have met their objectives, review performance and consider enhancements to the role and responsibilities of its members. ➢ The Audit & Governance Committee's Terms of Reference comply with best practice as per the CIPFA Position Statement on Audit Committees. ➢ The Audit & Governance Committee has an established independent member with relevant audit and risk knowledge and skills. ➢ A Learning and Development Strategy is in place for elected members supported by the allocation of specific time within the overall programme of meetings. ➢ The L&D Strategy accommodates bespoke training identified with officers and members through the learning and development plans and effectiveness reviews.

Key governance principles and supporting actions and behaviours:	How do we achieve this?
	➢ Members participate bi-annually in the National Knowledge Assessment (run by Hymans Robertson) which provides analysis across the Authority, LPB and Audit & Governance committee's, and additionally at an individual member level of development requirements. ➢ Individual member Learning and Development Plans and annual self-assessment. ➢ For staff of the Authority, an appraisal system is used to manage individual performance, plan learning and development, and support the succession planning process which is in place in key risk areas. Following the completion of the Organisational Resilience and Sustainability plan, responsible officers continue to review the organisations future resourcing needs; a workforce plan is being developed, which will be regularly reviewed to ensure we remain resilient and sustainable. ➢ Ongoing learning and development plans for the Authority's workforce are devised annually to support the goals set out in individual appraisals and are kept under review throughout the year. In addition to competency-based progression through the pension administration career grade, this can include professional qualification training, external training courses, and internally provided technical updates and system specific training. ➢ Learning and development activity is further supported through access to online resources through a range of systems such as online reading rooms, SharePoint, modern.gov and LinkedIn Learning. ➢ Health, Safety and Wellbeing arrangements are prominent and embedded across the organisation. An external Health & Safety adviser is retained, and the range of additional health and wellbeing support continues to grow each year, including workplace health checks and a range of webinars and other activities which target a variety of key physical, emotional, and mental health and wellbeing topics.
F. Managing risks and performance through robust internal control and strong public financial management	**Managing Risk** ➢ A risk management framework is in place reviewed annually by the Audit & Governance Committee. This framework sets out clearly the responsibilities for managing the risks facing the organisation, how they should be assessed and reported. The strategic risk register is reviewed monthly by the Senior Management Team with reporting on a quarterly basis to meetings of the Authority as part of the overall performance management framework, together with review and challenge by the Local Pension Board. ➢ The Governance team provide specific resource and focus to this area. A risk and performance management software system is used to enable more efficient recording and reporting of risk and performance and with input from various levels of management throughout the organisation. This is also supported by additional training for the relevant staff and managers.

Key governance principles and supporting actions and behaviours:	How do we achieve this?
	Managing Performance ➢ Arrangements for the reporting and monitoring of performance are in place, including clearly defined timetables for the reporting of information across the full range of activity, integrated with financial monitoring. Wherever possible, data is placed in the public domain and statutory reporting timescales are adhered to. ➢ The Authority undertakes benchmarking of its cost base and performance across both the main streams of operational activity, pensions administration and investment. ➢ The Authority welcomes external challenge and commissioned a second independent review of its Governance arrangements during 2025. The review found excellent standards of governance and that the Authority is well placed to meet the good governance requirements when these are implemented in the Pension Schemes Bill. ➢ A small Programmes and Performance team is in place reporting to the Head of Finance and Performance, to bring dedicated resource to support this important area. A performance management framework has been created to enhance performance, as well as applying project management methodology and control to the delivery of specific projects for meeting the Authority's corporate objectives. ➢ High quality data is central to the effectiveness of the organisation in its core function as a pension administrator. The Authority has a strong policy framework in place to ensure both the security and integrity of the large quantities of data which it holds. A Data Quality Improvement Plan is in place. ➢ The Authority's Head of Governance and Corporate Services is the Senior Information Risk Owner (SIRO), providing a dedicated resource, supported by the Team Leader – Governance, to work on the continuing development of the information governance framework. ➢ The Service Director Law, Democratic and Member Services for Barnsley MBC acts as the Authority's Data Protection Officer and their work is supported by an annual programme of review activity to ensure compliance with the policy framework. ➢ The Authority has received and continues to maintain the Cyber Essentials Plus accreditation – which is the highest level of certification offered from government in relation to its arrangements for cyber security. ➢ An annual assessment of the quality of data held for pension administration purposes is undertaken and a data improvement plan is produced to ensure that any issues identified are addressed. Progress with delivering the data improvement plan is overseen by the Local Pension Board. **Robust Internal Control** ➢ The Authority has an Audit & Governance Committee in place whose terms of reference are consistent with the relevant professional standards in line with CIPFA's Position Statement on Audit Committees. The Committee produces its own

Key governance principles and supporting actions and behaviours:	How do we achieve this?
	Annual report, available within the Governance section of the Authority's website, which sets out the work it has undertaken during the year. ➢ The Committee is responsible for overseeing the work of Internal Audit, provided by Barnsley MBC's Corporate Assurance Service, and in particular ensuring that the Internal Audit plan addresses key control risks facing the Authority. The Head of Internal Audit is required under the relevant professional standards to produce an annual opinion on the adequacy of the control environment. This is reported within the Annual Governance Statement each year. ➢ Progress made in implementing actions agreed following audit reviews is reported to every meeting of the Committee and this helps to ensure that the control environment continues to be strengthened through the audit process. ➢ The importance of internal control is well-embedded across the organisation and officers ensure a strong and effective working relationship is maintained with both Internal and External Audit, including regular liaison meetings and ensuring independent access is available to the Audit & Governance Committee Chair and members. **Strong Public Financial Management** ➢ The Authority is steward of a very large pension fund and therefore strong financial management is crucial to its effective operation. ➢ A strong framework of budgetary control is in place and monitoring against the operational budget, along with monitoring of investment performance, is reported quarterly to the Authority. Key projects are required to operate within defined budgets which receive approval through the appropriate decision-making processes. ➢ The Authority's Medium Term Financial Strategy defines various fiscal rules which constrain the growth in expenditure, mirroring to some extent, the constraints which apply to conventional local authorities through the council tax capping regime.
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability	➢ The Authority seeks to be open and transparent in all its activities, seeking to minimise the amount of information that must remain confidential. ➢ A substantial amount of information about the Authority's services and activities is published on its website: https://www.sypensions.org.uk/ including, for example, details of investment holdings and voting records. The agendas and public reports for all meetings of the Authority, its committees and the Local Pension Board are published and the public parts of these meetings are webcast. The Authority's annual report also contains a significant amount of information on its activities in a more user-friendly format. ➢ The Freedom of Information Publication Scheme provides clear signposting to the information which is publicly

Key governance principles and supporting actions and behaviours:	How do we achieve this?
	available. The development of our website is progressing to improve access for all stakeholders to all the relevant FOI information. ➢ The Authority regards telling its story as a key activity, to report and demonstrate its performance, achievement of value for money and effective stewardship of scheme members' savings. For key documents such as the Annual Report and Accounts, the Authority follows the relevant professional codes in terms of the provision of information and seeks to go beyond them where possible, particularly in terms of presenting the information in a way which allows the reader to set information in the context of the Authority's work and easily understand it. ➢ SYPA now produce an annual video update, **SYPA: In Focus**, to complement the content of our Annual Report. This bitesize format provides an accessible overview for all members and stakeholders. The video, supported by an accompanying document, also responds to questions submitted by members, promoting two-way engagement and transparency. ➢ The Authority has continued to publish its audited accounts and annual report in advance of the statutory publication deadlines every year, ensuring that information for stakeholders is provided on a timely basis to promote effective accountability. ➢ The Authority uses the governance framework set out in this Local Code of Corporate Governance to ensure that the information provided in reporting is accurate and consistent and that the same standards are met by key partnerships such as the Border to Coast Pensions Partnership. ➢ The Internal Audit service, commissioned from Barnsley MBC, operates under a charter which conforms to the relevant public sector internal audit standards ensuring that the Authority complies with the relevant professional standards. ➢ The Audit & Governance Committee reviews progress on implementation of actions agreed following audit reviews carried out by both internal and external audit and will do so in relation to the work of any potential other review agencies when the reforms in the Pensions Schemes Bill are introduced. ➢ All these arrangements also apply to the way in which the Authority engages with various partners and a comprehensive process of gathering assurance from those managing money on behalf of the Authority is undertaken each year. ➢ The Authority seeks to ensure that the activity undertaken on its behalf by the Border to Coast Pensions Partnership reflects the agreed Governance Charter which applies similar standards to the Authority's arrangements in the Partnership's unique context.

Monitoring and Reporting

The Authority is committed to review its governance arrangements regularly to ensure continuing compliance with best practice to provide assurance that corporate governance arrangements are adequate and operating effectively in practice. Where reviews of the corporate governance arrangements reveal areas for improvement, actions will be planned and undertaken to address these.

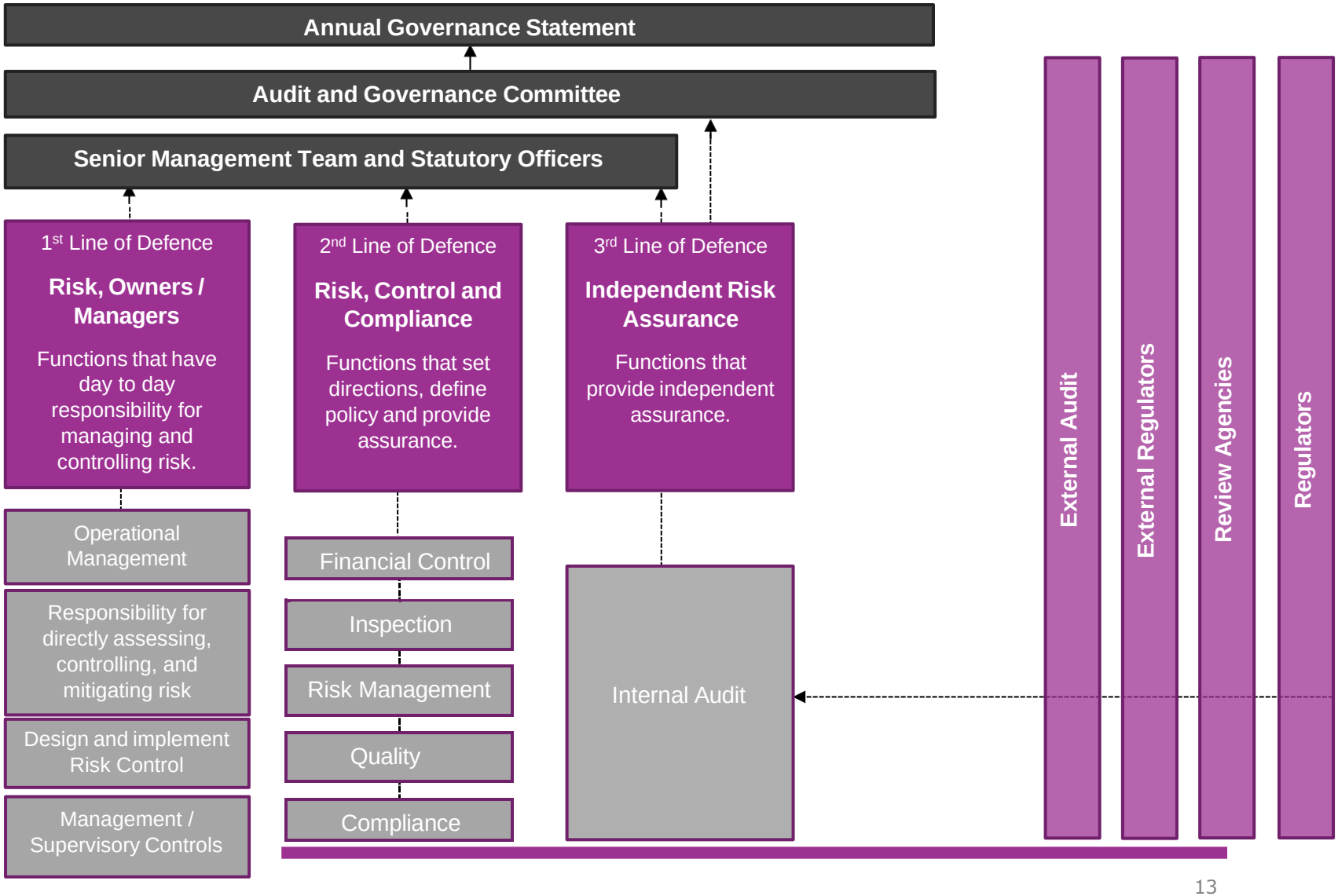
The Authority will prepare an Annual Governance Statement which will be submitted to the Audit and Governance Committee for consideration and will form part of the Authority's annual Statement of Accounts and Annual Report.

In reviewing and approving the Annual Governance Statement, members will be provided with detailed information regarding the effectiveness of the governance arrangements and systems of internal control and how these address the key risks faced by the Authority. Those assurances will be available from a wide range of sources, including internal and external audit, a range of external stakeholders and senior staff and statutory officers of SYPA.

The Authority continually strives to operate an assurance framework, embedded into its business processes, that maps corporate objectives to risks, controls and assurances. This framework and regular reports on its application and effectiveness will provide members with assurance to support the Annual Governance Statement and will help members to identify whether corporate objectives and significant business risks are being properly managed.

Assurance Channels

Our assurance channels the review of effectiveness is informed from various sources (also known as the Lines of Defence)



Seven Principles for the Conduct of Individuals in Public Life

The governance framework is supported by the seven Principles of Public Life and apply to anyone who works as a public officeholder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the Civil Service, local government, the police, courts and probation services, non-departmental public bodies (NDPBs), and in the health, education, social and care services. All public officeholders are both servants of the public and stewards of public resources. The principles also have application to all those in other sectors delivering public services.

Selflessness	Holders of public office should act solely in terms of the public interest.
Integrity	Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
Objectivity	Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
Accountability	Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
Openness	Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
Honesty	Holders of public office should be truthful.
Leadership	Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

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