

**South Yorkshire Pensions Authority Risk Register As At  
10 February 2024**

Key:

<b>IMPACT</b>	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
		<b>LIKELIHOOD</b>				

Risk Score	
Risk Score	RAG Rating
0 – 5	<b>Low</b>
6-14	<b>Moderate</b>
15-25	<b>High</b>

**No Risk scores have changed since the last review.**

Risk No	Risk Type	Risk Event	Existing Preventative Measures - Designed to reduce the likelihood of the risk occurring	Existing Mitigating Measures - Designed to reduce the impact if the risk occurs	Current Score	Likelihood & Impact	Target Score	Likelihood & Impact	Additional Preventative Actions (May Reduce Likelihood Score) Additional Mitigation Action (May Reduce Impact Score)	Comment on Current Status	Owner	Risk Change at Review	Last Review Date
G1	Governance	Failure of members of the Authority and Local Pension Board to maintain adequate levels of knowledge and understanding to enable them to fulfil their role.	Member Learning and Development Strategy and associated mandatory training requirements in place.	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	9	L=M I=M	6	L=L I=M	Any changes in membership will be require new members to undertake mandatory training to ensure the Authority and Local Pensions Board has 100% compliance.  Continuous review of the pensions landscape for legislative and regulatory change	09/02/2024 Authority members remain 100% compliant, however the arrival of a new Union Member (Unite) is being monitored to ensure timely completion of their mandatory training LPB members remain 100% compliant at this time The First Members away day in November 2023 was most successful in nurturing individual and board and Authority members training needs to ensure they remain current and aware of the changes to the pensions landscape.  There is no justification to change the score at this stage due to training required to adress key areas of legislative changes	Head of Governance		09/02/2024
G2	Governance	Failure to deliver key objectives included within the Corporate Strategy	Programmes and Performance Management Team Established Installed Programmes and Performance Management System	Regular monitoring and review of objectives delivery	12	L=M I=H	6	L=L I=M	Development and implementation of a programme management framework  Implementation and go live of Programme and Performance System	Comment 08/02/2024  The Service Manager - Programmes and Performance has been in post since December 2023. Considerable progress has been made in further developing the programme management framework however it is too early to assess any positive impact. There is no justification to reduce the score at this stage.	Service Manager - Programmes and Performance		08/02/2024
I1	Investment and Funding	Material changes to the value of investment assets and/or liabilities due to major market movements		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	9	L=M I=M	9	L=M I=M	Ability to implement protection strategies if market circumstances indicate they are appropriate.	10/02/2024 This risk still remains at the target score Given nature of the risk it will remain on the register.	Assistant Director Investment Strategy		10/02/2024
I2	Investment and Funding	Failure to mitigate the impact of climate change on the value of the Fund's investment assets and liabilities		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.	20	L=H I=VH	12	L=H I=M	Provide more comprehensive data on private market investments.  Clear targets for emission reduction to be set for remaining portfolios.  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.	09/02/2024  The completion of Project CHIP puts in place arrangements which will deliver significant emissions reductions from a key part of the portfolio over time.  There is no justification to reduce the score at this stage.	Director		09/02/2024
I3	Investment and Funding	Failure to manage the key risks identified in the Border to Coast Strategic Plan	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	Programme of specific risk mitigations agreed as part of the 2022 - 2025 Strategic Plan and Budget	9	L=M I=M	6	L=L I=M	Ongoing monitoring of Programme of specific risk mitigations set out in 2022 - 2025 strategic plan.	Comment 09/02/2024 The progress against the plan will be reviewed at the September Authority meeting and it is likely that the risk score will reduce following the June review.	Director		09/02/2024
I4	Investment and Funding	Imbalance in cashflows	Maintenance of "cash buffer" of liquidity sufficient to cover more than one monthly payroll.	Process for monitoring and forecasting cashflows	5	L=VL I=VH	5	L=VL I=VH	Implementation of strategies to more regularly harvest income from investments.  Further improvements in cashflow forecasting,.	Comment 09/02/2024  This risk still remains at target score but will remain on the register due to potential fluctuating circumstances.	Assistant Director Investment Strategy		09/02/2024

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15	Investment and Funding	Employer contributions become unaffordable	Investment strategy that is focused on long term returns and reduced volatility  Reviews of employer covenant and ongoing monitoring of funding levels	Phasing of increases and stabilisation mechanism in the valuation  Negotiated exit depending on the type of employer  Ability to undertake contribution reviews	9	L=M I=M	6	L=M I=L	More systematic review of employer covenants  More systematic use of the funding monitoring tools that the actuary gives us access to	<i>Comment 09/02/2024:</i> <i>Initial process of engagement with larger employers around the 2025 valuation is about to commence. The overall local government finance situation indicates that it is unlikely that this risk can be reduced and it may in fact be necessary to increase the score at the next review.</i>	Director		09/02/2024
01	Operational	Cyber security attack	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.	Effective ICT business continuity plan in place.  Incident response retainer with specialist security provider  Cyber Security Incident Management Policy in place.	16	L=H I=H	12	L=M I=H	Ongoing review and implementation of ICT action plan to enhance cyber security defences	<i>09/02/2024</i>  <i>the Cyber Awareness Training solution continues to be utilised, to promote staff awareness. Further enhancements to cyber security defences are being explored. At this stage there is no justification to reduce the risk score.</i>	Head of ICT		09/02/2024
02	Operational	Poor data quality	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	Ongoing development of data improvement plan. Support from Programmes and Performance team.  Use of DART to run daily validations (200)  Benefits 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 casework	12	L=M I=H	6	L=M I=L	Further development of a robust data improvement plan  Further preventative measures to be assessed to address root cause  Capacity exercise outcomes to be implemented and a dedicated team resourced  Targeted staff training for consistency of processes  Systems Team to carry out review to identify in-house improvements and efficiencies to system.  Ensure robust contract and performance management with External Providers	<i>Comment 09/02/2024</i>  <i>The data improvement plan has been updated. The primary focus is still the GMP Reconciliation and Rectification exercise. This has recently been resurrected and now a project team is actively working on ensuring this is completed Summer 2024.</i>  <i>The impact of the revised plan will be monitored to assess any implications for this risk score. But there is no justification to reduce the score at this stage.</i>	Assistant Director Pensions		09/02/2024
03	Operational	Failure to retain or circulate personal or sensitive data in line with data protection requirements.	Access to expertise through BMBC Corporate Assurance Team and DPO.  ICT control measures.  Data protection policies, procedures and training in place.	Data breach process followed to identify areas for improvement.  Close liaison with DPO.  Reporting to ICO and implementing any recommendations.	12	L=M I=H	6	L=M I=L	Implement and embed the Information Governance action plan in collaboration with Internal Audit at each stage of review.  Delivery of additional Data Protection training in roles and responsibilities for all staff, middle managers, and SMT.	<i>09/02/2024</i>  <i>Work is still ongoing to further develop and embed the updated suite of Data Protection Policies. These should be in place and ready to share with staff by the end of March 2024. At this stage there is no justification to reduce the risk score.</i>	Assistant Director Resources		09/02/2024
04	Operational	Failure of the Authority to comply with relevant Regulations	Service areas are aware of key points of reference for relevant regulations  Reporting of compliance within relevant standards.  Basic assessment of compliance with TPR CoP 14 in place.	Regular reviews of key policies and processes  Ongoing process of awareness raising and training for staff in relation to operational matters  Oversight of key updates and awareness of milestone approvals	12	L=M I=H	8	L=L I=H	More detailed assessment of compliance with emerging regulatory requirements.  Independent governance review and use of compliance tool for TPR General Code with associated action plan and enhanced regular reporting.  Additional training for Authority and Local Pension Board Members on the new General Code to support oversight.  Central tracker that is regularly reviewed to ensure timely updates to all policies, procedures and frameworks	<i>Comment 09/02/2024</i>  <i>The new general code is now published, the independent governance review will incorporate the purchase of a reporting tool to enable officers to track, monitor and manage the requirements of the new code and identify areas for improvement/enhancement.</i> <i>Work continues to develop the policies tracker that will be completed in Q1 of the coming year.</i>  <i>At this stage there is no justification for a reduction in this risk score.</i>	Head of Governance		09/02/2024

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O5	Operational	Backlogs in work flows	Improved processes and staff training Targeted overtime to focused areas  Changes to work tray allocations  Pre live launch testing processes in place.	Capacity planning exercise has been undertaken and required increases in establishment for pensions admin approved in Autumn 2023.  An action plan considering a range of specific actions to address aspects of problems identified has been developed and is being worked through.	16	L=H I=H	6	L=M I=L	Overarching action plan to be developed  Review of processes and policies  Implementation and recruitment for new posts approved as outcome of capacity planning exercise. This may take some time to have an impact. Continuation of implementation of the action plan (particularly the automation of certain bulk processes) will provide some mitigation in the interim.	<i>Comment 09/02/2024</i>  <i>The overarching action plan has been approved and is in place(wef February 2024). This is now at early implementation stage.</i>  <i>Whilst progress has been made against some of the additional preventative and mitigating actions there is no justification to reduce the score at this stage.</i>	Assistant Director Pensions		09/02/2024
P1	People	High level of vacancies within the organisation	Career grade scheme in place to develop in house specialists.  Targeted advertising including using social media  Introduction of hybrid working and existing flexi scheme.	Capacity planning and identified additional resourcing needs and increase to establishment to address.  Regular one to ones, review of workload and work life balance. Promotion of wellbeing initiatives.  Provision of Counselling, Occupational Health and Employee Assistance Programme.  Continued investment in learning and development.  Market supplements to be used on a limited basis if required to fill specialist roles.	12	L=H I=M	6	L=M I=L	Implementation of Pay & Ben review and talent attraction via Employee Value Proposition  Enhancements to 'Work for Us' area of our website and development of our own recruitment microsite to be implemented alongside new HR system.  Increase in staffing following capacity planning  Develop action plan following 2023 employee survey	<i>Comment 09/02/2024</i>  <i>This risk owner has been revised from Director to the Assistant Director - Resources.</i>  <i>The workforce plan is to be further developed this year to complement the HR Strategy. Changes from Pay and Benefit review have been implemented with further actions in the new financial year.</i>  <i>At this stage the risk score remains the same to enable success to be measured.</i>	Assistant Director Resources		09/02/2024
P2	People	Single point of failure due to unexpected or long term vacancies in specialist knowledge roles	Revised pay and benefits package Range of policies for supporting wellbeing Documented procedures and work instructions Learning and development plans and knowledge transfer	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.	12	L= M I= H	9	L= M I= M	Further measures to identify single points of failure across all teams  Enhance knowledge transfer  Further develop succession planning  Implementation of Pensions Administration Review  Identify specialist areas to call on third party support	<i>09/02/2024</i>  <i>This risk owner has been revised from the Director to the Assistant Director - Resources.</i>  <i>Agreed staffing changes are in the process of being implemented. If and when all roles are successfully filled it should be possible to reduce this risk score.</i>  <i>This risk was added as new risk in Nov 2023 to address the potential risk of future single points of failure and the challenges this could create in specialist and senior and middle management level roles</i>	Assistant Director Resources		09/02/2024