




## Appendix A – Strategic Risk Register

### 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:

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				



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.

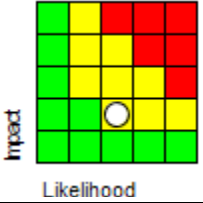
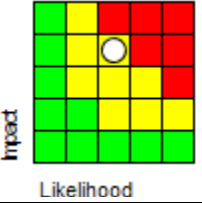

**The results of the latest review resulted in two risks having their current scores increased.**

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

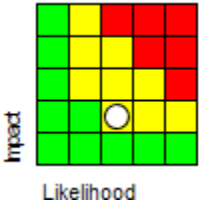
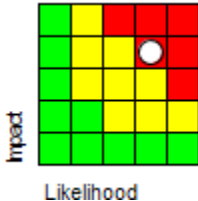

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Risk Ref	Risk	Score	Risk Rating	Trend
ADM - 001	Poor data quality	12		
ADM - 002	Backlogs in work flows	16		
ADM - 003	McCloud Rectification	16		
GOV - 001	Local Pension Board and Authority Members Knowledge and Understanding	6		
GOV - 003	Delivery of Key Objectives in Corporate Strategy	8		
GOV - 004	Failure to apply data protection requirements.	12		
IAF - 001	Material changes to the value of investment assets and/or liabilities	12		
IAF - 002	Failure to mitigate the impact of climate change	20		
IAF - 003	Border to Coast Strategic Plan	6		
IAF - 004	Imbalance in cashflows	10		
IAF - 005	Employer contributions become unaffordable	12		
IAF - 010	The Pensions Review	12		
ORG - 002	Cyber security attack	12		
ORG - 004	Failure of the Authority to comply with relevant Regulations	12		
PEO - 002	High level of vacancies within the organisation	9		
PEO - 003	Single person risk in specialist knowledge roles	12		

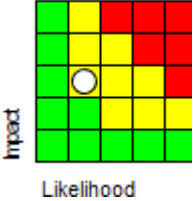
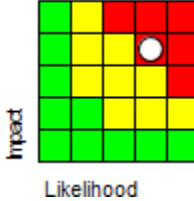

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<b>Risk:</b> ADM - 001 Poor data quality		<b>Risk Owner:</b> Assistant Director Pensions	
		<b>Last Review:</b> 06-Feb-2025	
<b>Risk effect:</b> Reputational Impact Regulatory and financial penalties Failure to deliver key projects such as McCloud 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			
<b>Existing Preventative Measures</b>		<b>Existing Mitigation Measures</b>	
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 casework		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	
<b>Linked Actions</b>			
Capacity exercise outcomes			
Further preventative measures to be assessed to address route cause			
In house system improvements and efficiencies			
Robust contract management			
Targeted staff training			
<b>Target matrix and score:</b>		<b>Current matrix and score:</b>	
 <p><b>Target score = 6</b></p>		 <p><b>Current Score = 12</b></p>	
		<b>Trend:</b> 	
<b>Commentary from latest review:</b> The data improvement plan has been updated. The GMP Reconciliation and Rectification exercise is almost complete final date been pushed out to 28.02.2025. Data corrections for annual exercises have been undertaken but data improvement strategy is still to be implemented. The GMP data has now been updated to records for Pensioners, deferred members and actives. The actuary portal has been used to identify areas for data correction that are important for the 2025 Valuation. The impact of the revised plan will be monitored however there is no justification to reduce the score at present.			

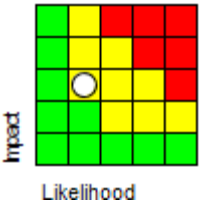
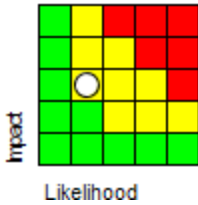

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<b>Risk:</b> ADM - 002 Backlogs in work flows		<b>Risk Owner:</b> Assistant Director Pensions	
		<b>Last Review:</b> 06-Feb-2025	
<b>Risk effect:</b> Declines in the overall level of service performance. Regulatory penalties Reputational Damage			
<b>Existing Preventative Measures</b>		<b>Existing Mitigation Measures</b>	
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  Pre live launch testing processes in place.	
<b>Linked Actions</b>			
Capacity planning exercise and focus group outcomes will be considered by members over the Autumn. However 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			
Review of processes and policies			
<b>Target matrix and score:</b>  <b>Target score: 6</b>		<b>Current matrix and score:</b>  <b>Current Score = 16</b>	
<b>Commentary from latest review:</b>		Trend: 	
		The overarching action plan that was approved in February 2024 is being monitored monthly. SMT are passed updates on progress.	
		Whilst some progress has been made against some of the additional preventative and mitigating actions, like newly recruited staff undertaking training and now working on back logs too, and targeted action days, there is no justification to reduce the score at this stage.	

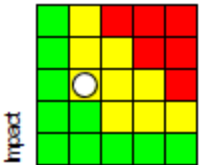
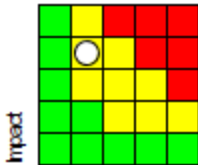

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<b>Risk:</b> ADM - 003 McCloud Rectification		<b>Risk Owner:</b> Assistant Director Pensions				
		<b>Last Review:</b> 06-Feb-2025				
<b>Risk effect:</b> Timescales to rectify members benefits not met. TPR fines and reputational damage.						
<b>Existing Preventative Measures</b>		<b>Existing Mitigation Measures</b>				
		SYPA and other Provider Clients working together to collectively drive the provider to deliver the developments required to adhere to national guidance				
<b>Linked Actions</b>						
McCloud - Rectification Plan to be implemented and team training put in place						
<b>Target matrix and score:</b>		<b>Target score:6</b>	<b>Current matrix and score:</b>		<b>Trend:</b> 	<b>Current Score = 16</b>
<b>Commentary from latest review:</b>		Latest Development delivery still delayed with no delivery date as yet. Concerns have been put in writing to provider				


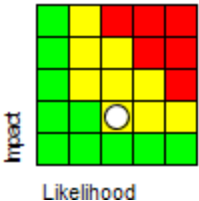
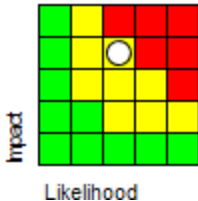
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<b>Risk:</b> GOV - 001 Local Pension Board and Authority Members Knowledge and Understanding		<b>Risk Owner:</b> Head of Governance and Corporate Services
		<b>Last Review:</b> 06-Feb-2025
<b>Risk effect:</b> Poorly informed decision making Regulatory / legislative non-compliance Insufficient questioning and challenge of officers.		
<b>Existing Preventative Measures</b> 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	<b>Existing Mitigation Measures</b> Member Learning and Development Strategy and associated mandatory training requirements in place.	<b>Linked Actions</b> Continuous review of the pensions landscape for legislative and regulatory change
<b>Target matrix and score:</b>  Target score:6	<b>Current matrix and score:</b>  Current Score = 6	<b>Trend:</b> 
<b>Commentary from latest review:</b> Core training 100% compliant, no change. We are at target and have been for the past three reviews; however given the importance of this area, and the continuing evolution of the wider environment and issues that members must remain updated on, the risk remains on the register to ensure it is kept under regular review.		

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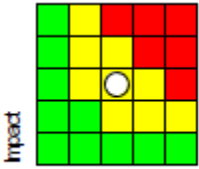
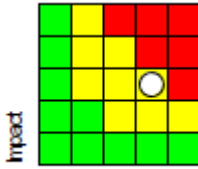

<b>Risk:</b> GOV - 003 Delivery of Key Objectives in Corporate Strategy		<b>Risk Owner:</b> Head of Finance and Performance	
		<b>Last Review:</b> 13-Feb-2025	
<b>Risk effect:</b> We will not deliver the service to our scheme members set out in our mission statement.			
<b>Existing Preventative Measures</b> Regular monitoring and review of objectives delivery		<b>Existing Mitigation Measures</b> Programmes and Performance Management Team Established Installed Programmes and Performance Management System Programme Management framework implemented	
<b>Linked Actions</b> To be considered prior to next review			
<b>Target matrix and score:</b>	 <p>Likelihood</p>	<b>Target score:6</b>	
<b>Current matrix and score:</b>	 <p>Likelihood</p>	<b>Current Score = 8</b>	<b>Trend:</b> 
<b>Commentary from latest review:</b>		<p>No update to the correct score.</p> <p>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 some of the lessons learnt we will develop the protocols and procedures, communicate these to the relevant stakeholders, which should reduce the impact score.</p> <p>The supplementary performance management framework piece of work is ongoing. Further dashboards are required across the Authority and utilisation of these dashboards is needed. The information from this work will help ensure key objectives are met.</p>	

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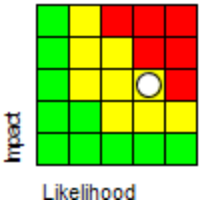
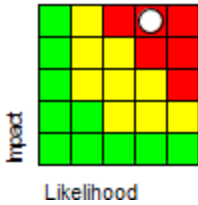

<b>Risk:</b> GOV - 004 Failure to apply data protection requirements.		<b>Risk Owner:</b> Assistant Director Resources
		<b>Last Review:</b> 05-Feb-2025
<b>Risk effect:</b> Financial or Regulatory penalties. Reputational damage to the organisation. Inability to deliver the service.		
<b>Existing Preventative Measures</b>	<b>Existing Mitigation Measures</b>	<b>Linked Actions</b>
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.	Implement Information Governance Action Plan
<b>Target matrix and score:</b>	<b>Current matrix and score:</b>	<b>Trend:</b> 
 <p><b>Target score:6</b></p>	 <p><b>Current Score = 12</b></p>	
<b>Commentary from latest review:</b> We are continuing to make progress on the actions in the information governance action plan. In particular, we have successfully delivered training to staff and team discussions to raise awareness in the last quarter. However there remains further work to do on phase 2 of the action plan and therefore it is not appropriate to reduce the score at this stage.		



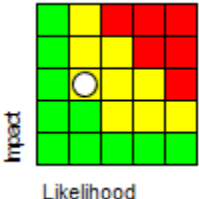
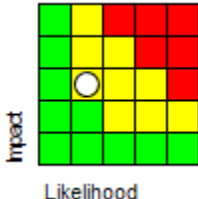

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<b>Risk:</b> IAF - 001 Material changes to the value of investment assets and/or liabilities		<b>Risk Owner:</b> Assistant Director Investment Strategy	
		<b>Last Review:</b> 07-Feb-2025	
<b>Risk effect:</b> Sharp and sudden movements in the overall funding level			
<b>Existing Preventative Measures</b> 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		<b>Existing Mitigation Measures</b>	
		<b>Linked Actions</b> Ability to implement protection strategies if market circumstances indicate they are appropriate.	
<b>Target matrix and score:</b>		<b>Current matrix and score:</b>	
	<b>Target score: 9</b>		<b>Current Score = 12</b>
<b>Commentary from latest review:</b> Increased the likelihood rating due to seemingly heightened geopolitical risks.		<b>Trend:</b> 	

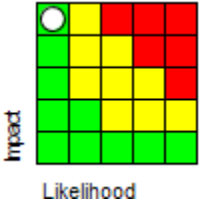
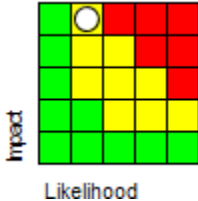

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<b>Risk:</b> IAF - 002 Failure to mitigate the impact of climate change		<b>Risk Owner:</b> Director
		<b>Last Review:</b> 28-Jan-2025
<b>Risk effect:</b> Significant deterioration in the funding level		
<b>Existing Preventative Measures</b>	<b>Existing Mitigation Measures</b>	<b>Linked Actions</b>
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.
<b>Target matrix and score:</b>  <b>Target score:12</b>	<b>Current matrix and score:</b>  <b>Current Score = 20</b>	<b>Trend:</b> 
<b>Commentary from latest review:</b>		No basis for changing the assessment. While steps can be taken to reduce the climate impact of the Fund's investments and the Authority's operations, these will not be sufficient to alter global trends, which are what will have the greatest impact on the overall balance between assets and liabilities.

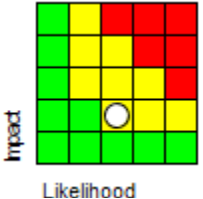
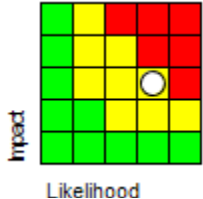

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<b>Risk:</b> IAF - 003 Border to Coast Strategic Plan		<b>Risk Owner:</b> Director
		<b>Last Review:</b> 28-Jan-2025
<b>Risk effect:</b> Decline in investment performance. Increased costs as a result of the need to move to more expensive products. Potential changes in the risk and volatility levels within the portfolio		
<b>Existing Preventative Measures</b> Programme of specific risk mitigations agreed as part of the 2022 - 2025 Strategic Plan and Budget	<b>Existing Mitigation Measures</b> 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	<b>Linked Actions</b>
<b>Target matrix and score:</b>  Likelihood	<b>Target score:6</b>	<b>Current matrix and score:</b>  Likelihood
<b>Commentary from latest review:</b>		<b>Current Score = 6</b> Trend: 
No justification at present for revising this assessment. However, this assessment will require further examination following the completion of the pooling submission to Government at the beginning of March 2025 and in light of ongoing discussions between partner funds about the development of oversight processes and the product range.		

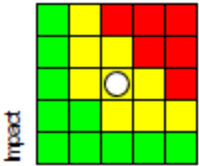
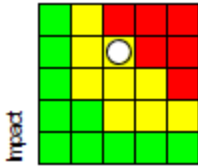

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<b>Risk:</b> IAF - 004 Imbalance in cashflows		<b>Risk Owner:</b> Assistant Director Investment Strategy	
		<b>Last Review:</b> 07-Feb-2025	
<b>Risk effect:</b> Inability to pay pensions without resorting to borrowing or "fire sale" liquidation of investments. Potential negative impacts on individual pensioners.			
<b>Existing Preventative Measures</b> Process for monitoring and forecasting cashflows		<b>Existing Mitigation Measures</b> Maintenance of "cash buffer" of liquidity sufficient to cover more than one monthly payroll.	
<b>Linked Actions</b>			
Further improvements in cashflow forecasting			
Implementation of strategies to more regularly harvest income from investments			
<b>Target matrix and score:</b>  <b>Target score:5</b>		<b>Current matrix and score:</b>  <b>Current Score = 10</b>	
		<b>Trend:</b> 	
<b>Commentary from latest review:</b>		Expectation that employer contribution rates will reduce due to high funding level at 2025 actuarial valuation. Meaning lower net income for the Fund. Will seek to increase income from investments as and when Border to Coast develop further distribution share classes.	

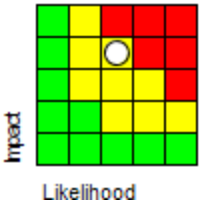
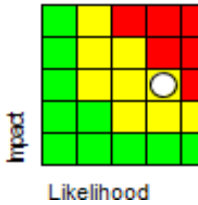

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<b>Risk:</b> IAF - 005 Employer contributions become unaffordable		<b>Risk Owner:</b> Assistant Director Pensions	
		<b>Last Review:</b> 06-Feb-2025	
<b>Risk effect:</b> Increased contribution rates to the extent that they become unaffordable. Default on the making of contributions by employers			
<b>Existing Preventative Measures</b>		<b>Existing Mitigation Measures</b>	
Phasing of increases and stabilisation mechanism in the valuation Negotiated exit depending on the type of employer 2. 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	
<b>Linked Actions</b>			
More systematic review of employer covenants			
More systematic use of the funding monitoring tools that the actuary gives us access to			
<b>Target matrix and score:</b>		<b>Current matrix and score:</b>	
 <p><b>Target score: 6</b></p>		 <p><b>Current Score = 12</b></p>	
		<b>Trend:</b> 	
<b>Commentary from latest review:</b>		<p>The overall financial environment for public services means that it is increasingly likely that some employers will find contributions affordability an issue.</p> <p>Covenants are monitored. Early work is underway on the 2025 Valuation and communication plans in place.</p> <p>Employer services have allocated named officers to all employers and engagement has increased.</p> <p>There is no reason at this point in time to reduce the risk.</p>	

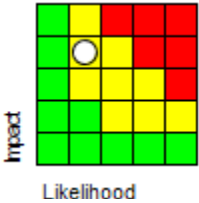
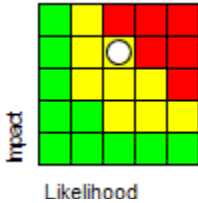

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<b>Risk:</b> IAF - 010 The Pensions Review		<b>Risk Owner:</b> Director
		<b>Last Review:</b> 28-Jan-2025
<b>Risk effect:</b> Destabilisation of the B2C pensions partnership. Inability to deliver the investment strategy. Regulatory action against the Authority if we fail to meet the Governance standard		
<b>Existing Preventative Measures</b>	<b>Existing Mitigation Measures</b>	<b>Linked Actions</b>
The existing strong partnership through B2C Strong governance arrangements as evidenced in the Independent Governance Review		Ensure that steps are taken to address requirements as far as possible in advance of regulation Influence Final Guidance and Regulation
<b>Target matrix and score:</b>  Target score:9	<b>Current matrix and score:</b>  Current Score = 12 Trend: 	
<b>Commentary from latest review:</b>		At this stage there is no justification for a change in the assessment as the consultation period has just closed. However, once the Government's final views are clear it will be possible to make a more comprehensive assessment, particularly of the impact of the investment related proposals.

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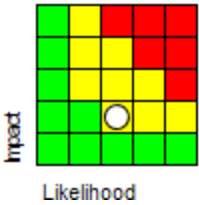
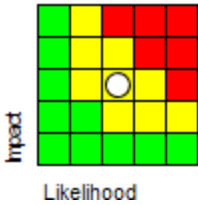

<b>Risk:</b> ORG - 002 Cyber security attack		<b>Risk Owner:</b> Head of ICT	
		<b>Last Review:</b> 06-Feb-2025	
<b>Risk effect:</b> Significant disruption to the provision of services. Loss / unauthorised release of key data. Reputational damage and financial penalties			
<b>Existing Preventative Measures</b>		<b>Existing Mitigation Measures</b>	
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	
<b>Linked Actions</b>			
To be reviewed at point of ICT Strategy approval			
<b>Target matrix and score:</b>		<b>Current matrix and score:</b>	
 <p><b>Target score:12</b></p>		 <p><b>Current Score = 12</b></p>	
<b>Commentary from latest review:</b>		<p>Trend: </p> <ul style="list-style-type: none"> <li>Completed MDR onboarding.</li> <li>Attendance at team meetings to reinforce staff knowledge and awareness. Presentation completed for all staff</li> <li>Presentation to Authority/LPB Away Day.</li> </ul> <p>At this stage there is no justification to reduce the risk score.</p>	

Appendix A – Strategic Risk Register

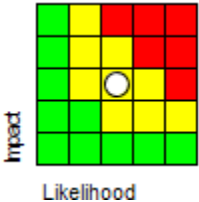
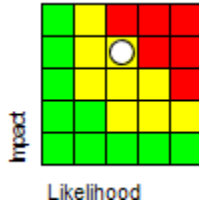

<b>Risk:</b> ORG - 004 Failure of the Authority to comply with relevant regulations		<b>Risk Owner:</b> Head of Governance and Corporate Services
		<b>Last Review:</b> 06-Feb-2025
<b>Risk effect:</b> Enforcement action by relevant regulatory authorities		
<b>Existing Preventative Measures</b>	<b>Existing Mitigation Measures</b>	<b>Linked Actions</b>
Regular reviews of key policies and processes	Service areas are aware of key points of reference for relevant regulations	Delivery of additional Data Protection training in roles and responsibilities for all staff, middle managers, and SMT
Ongoing process of awareness raising and training for staff in relation to operational matters	Reporting of compliance within relevant standards.	Implement and embed the Information Governance action plan in collaboration with Internal Audit at each stage of review
Oversight of key updates and awareness of milestone approvals	More detailed assessment of compliance with TPR General Code now in place with associated action plan and enhanced regular reporting.	
<b>Target matrix and score:</b>	<b>Target score: 8</b>	<b>Current matrix and score:</b>
		
		<b>Trend:</b> 
<b>Commentary from latest review:</b>	Policy Tracker implemented and being embedded. TPR initial quarterly reviews completed, the current status will be reported to LPB in February 2025. No justification to reduce score at this stage, however potential to reduce following the results of the next review of compliance against the Code.	



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<b>Risk:</b> PEO - 002 High level of vacancies within the organisation		<b>Risk Owner:</b> Assistant Director Resources
		<b>Last Review:</b> 05-Feb-2025
<b>Risk effect:</b> Inability to deliver the service Negative impact on staff wellbeing Poor staff retention resulting in loss of specialist knowledge		
<b>Existing Preventative Measures</b> 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	<b>Existing Mitigation Measures</b> 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.	<b>Linked Actions</b> Develop talent attraction via Employee Value Proposition
<b>Target matrix and score:</b>  Target score:6	<b>Current matrix and score:</b>  Trend:  Current Score = 9	
<b>Commentary from latest review:</b>	There is no change to the assessment at this quarter. Progress is being made on the action around career grade scheme and there will be further development following the new People Strategy taking effect from April 2025.	

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<b>Risk:</b> PEO - 003 Single person risk in specialist knowledge roles		<b>Risk Owner:</b> Assistant Director Resources
		<b>Last Review:</b> 05-Feb-2025
<b>Risk effect:</b> Failure to deliver service and reduced service quality. Reputational damage. Impact on staff morale and wellbeing.		
<b>Existing Preventative Measures</b>	<b>Existing Mitigation Measures</b>	<b>Linked Actions</b>
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
<b>Target matrix and score:</b>		<b>Target score:9</b>
	<b>Current matrix and score:</b>	
		<b>Trend:</b>  <b>Current Score = 12</b>
<b>Commentary from latest review:</b> There is no change to the assessment at this quarter. Progress is being made on the actions and we will be doing further work on this area as part of the business continuity strategy project currently in progress.		