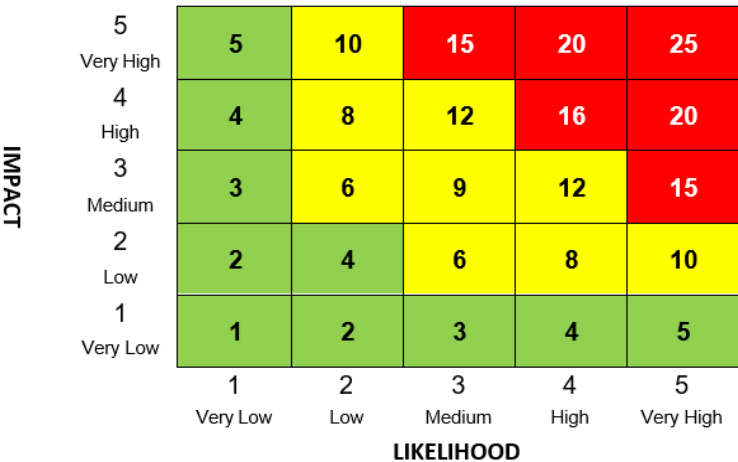


Strategic Risk Register

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:



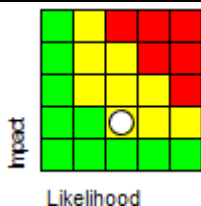
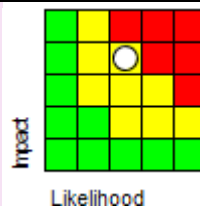
Next to each current risk score and matrix in the table, an icon is included to show the trend in the score since the previous review.

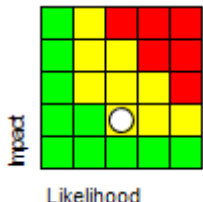
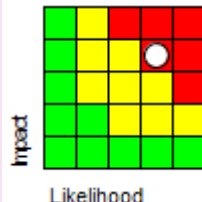
-  Indicates no change in score from the previous review.
-  Indicates the risk score has reduced since the previous review.
-  Indicates the risk score has increased since the previous review.

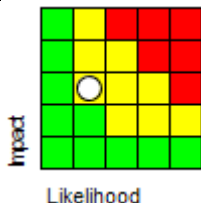
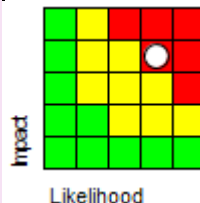
The results of the latest review resulted in one risk having the current score increased and one risk having the current score decreased.

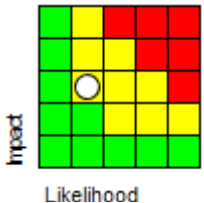
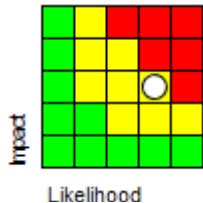
This table provides a high-level summary of the risks on the register that follows:

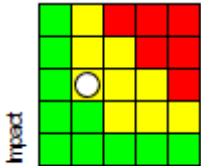
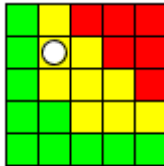
Risk Ref	Risk	Previous Score	Current Score	Risk Rating	Trend
ADM - 001	Poor data quality	12	12		
ADM - 002	Backlogs in work flows	16	16		
ADM - 003	McCloud Rectification	16	16		
GOV - 001	Local Pension Board and Authority Members Knowledge and Understanding	12	12		
GOV - 003	Delivery of Key Objectives 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 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 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:  Likelihood	Current matrix and score:  Likelihood	Trend: 
		Target score = 6
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 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.		Existing Mitigation Measures 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.	
		Linked Actions 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:  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.	

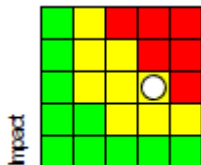
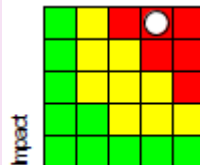
Risk: ADM - 003 McCloud Rectification		Risk Owner: Assistant Director – Pensions	
		Last Review: 30-Jul-2025	
Risk effect: Timescales to rectify members benefits not met. TPR fines and reputational damage.			
Existing Preventative Measures		Existing Mitigation Measures	
		SYPA and other Provider Clients 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:  Likelihood		Current matrix and score:  Likelihood	
		Trend: 	
Target score=6		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.	

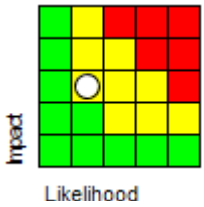
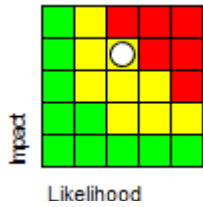
Risk: GOV - 001 Local Pension Board and Authority Members Knowledge and Understanding		Risk Owner: Head of Governance and Corporate Services Last Review: 31-Jul-2025
Risk effect: Poorly informed decision making Regulatory / legislative non-compliance Insufficient questioning and challenge of officers.		
Existing Preventative Measures 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	Existing Mitigation Measures Member Learning and Development Strategy and associated mandatory training requirements in place.	Linked Actions Continuous review of the pensions landscape for legislative and regulatory change
Target matrix and score:  Target score = 6	Current matrix and score:  Current Score = 12 Trend: 	
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	
Regular monitoring and review of objectives delivery		Programmes and Performance Management Team Established Installed Programmes and Performance Management System Programme Management framework implemented	
		Linked Actions	
		Performance Framework - Further implement and embed the Framework	
		Programme Management Framework - Further implement and embed the Framework	
Target matrix and score:  Likelihood		Current matrix and score:  Likelihood	
Target score = 6		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.	

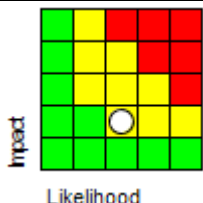
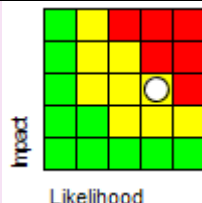
Risk: GOV - 004 Failure to apply data protection requirements.		Risk Owner: Assistant Director – Resources	
		Last Review: 11-Aug-2025	
Risk effect: Financial or Regulatory penalties. Reputational damage to the organisation. Inability to deliver the service.			
Existing Preventative Measures Data breach process followed to identify areas for improvement. Close liaison with DPO. Reporting to ICO and implementing any recommendations. Implementation of data recovery plan.		Existing Mitigation Measures 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.	
Linked Actions Information Governance Action Plan Phase 2			
Target matrix and score: Impact Likelihood Target score = 6		Current matrix and score: Impact Likelihood 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.	

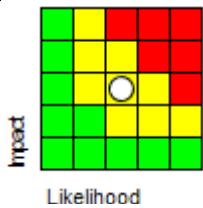
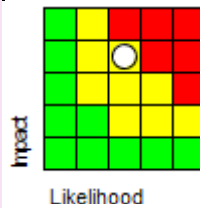
Risk: IAF - 001 Material changes to the value of investment assets and/or liabilities		Risk Owner: Assistant Director – Investment Strategy	
		Last Review: 23-Jul-2025	
Risk effect: Sharp and sudden movements in the overall funding level			
Existing Preventative Measures Having a diversified Investment 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		Existing Mitigation Measures	
		Linked Actions Ability to implement protection strategies if market circumstances indicate they are appropriate.	
Target matrix and score: Impact Likelihood Target score = 9		Current matrix and score: Impact Likelihood Current Score = 12 Trend:	
Commentary from latest review:		High geopolitical uncertainty remains. May consider increasing to impact to High should a major market event takes place.	

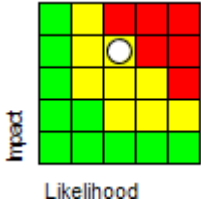
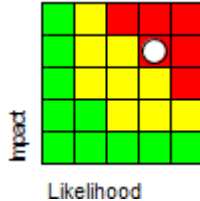
Risk: IAF - 002 Failure to mitigate the impact of climate change		Risk Owner: Director	
		Last Review: 12-Aug-2025	
Risk effect: Significant deterioration in the funding level			
Existing Preventative Measures		Existing Mitigation Measures	
Climate Change Policies and Net Zero Goals adopted by both the 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	
		Linked Actions	
		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:  Likelihood		Current matrix and score:  Likelihood	
Target score = 12		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 Programme of specific risk mitigations agreed as part of the 2022 - 2025 Strategic Plan and Budget	Existing Mitigation Measures 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	Linked Actions
Target matrix and score:  Target score = 6	Current matrix and score:  Current Score = 12	Trend: 
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: Impact Likelihood Target score = 5		Current matrix and score: Impact Likelihood Current Score = 15 Trend: 	
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.	

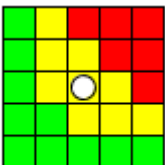
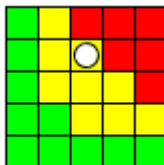
Risk: IAF - 005 Employer contributions become unaffordable		Risk Owner: Assistant Director – Pensions	
		Last Review: 30-Jul-2025	
Risk effect: Increased contribution rates to the extent that they become unaffordable. Default on the making of contributions by employers			
Existing Preventative Measures		Existing Mitigation Measures	
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	
		Linked Actions	
		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:  Likelihood		Current matrix and score:  Likelihood	
		Trend: 	
		Target score = 6	
		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:  Likelihood		Current matrix and score:  Likelihood	
Target score = 9		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 next 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:  Likelihood Target score = 12	Current matrix and score:  Likelihood Current Score = 16	Trend: 
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: Impact Likelihood Target score = 8		Current matrix and score: Impact Likelihood 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: Impact Likelihood Target score = 6 <td> Current matrix and score: Impact Likelihood Current Score = 9 Trend: </td>	Current matrix and score: Impact Likelihood Current Score = 9 Trend:	
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: Impact  Likelihood Target score = 9		Current matrix and score: Impact  Likelihood Current Score = 12 Trend: 	
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.			