

The Pensions Regulator (TPR) Code of Practice 14 - Governance and Administration of Public Service Pension Schemes  
Compliance Statement - Managing Risks

Code Section / Sub Section	Legal Requirements	TPR's Guidance	How we comply	Evidenced by	Action(s) identified & reference to action plan
Internal controls [101 - 120]	The scheme manager of a public service pension scheme must establish and operate internal controls. These must be adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and in accordance with the requirements of the law.	1 Internal controls should include a clear separation of duties, processes for escalation and decision making and documented procedures for assessing risks, reviewing breaches of the law and managing contributions to the scheme [103]	Constitution sets out clear scheme of delegation and decision making authorities	<a href="https://meetings.southyorks.gov.uk/ecSDDisplay.aspx?NAME=Constitution&amp;ID=206&amp;RPID=24536&amp;sch=doc&amp;cat=13051&amp;path=13051&amp;zTS=C">https://meetings.southyorks.gov.uk/ecSDDisplay.aspx?NAME=Constitution&amp;ID=206&amp;RPID=24536&amp;sch=doc&amp;cat=13051&amp;path=13051&amp;zTS=C</a>	
			Breaches policy in place	Copy available	Publish policy on the website
			Information on breaches complaints compliments and appeals provided to each meeting of the Local Pension Board	<a href="https://meetings.southyorks.gov.uk/ieListMeetings.aspx?Clid=400&amp;Year=0&amp;zTS=C">https://meetings.southyorks.gov.uk/ieListMeetings.aspx?Clid=400&amp;Year=0&amp;zTS=C</a>	
			Contributions collection information included in the annual report as required and in the quarterly administration report to the Local Pension Board	<a href="https://www.sypensions.org.uk/Publications/Annual-Reports">https://www.sypensions.org.uk/Publications/Annual-Reports</a>	Look to include summary indicator on contributions within the Corporate Report presented to the Authority
		2 Internal controls should address significant risks that are likely to have a material impact on the scheme [105]	Corporate Risk Management Framework in place and risk register included within the Quarterly Report to the Authority with additional oversight from the Audit Committee and Local Pension Board	Framework available on the website and register is available on the website within the Corporate Strategy and with the quarterly Corporate Performance Report	Controls assurance mapping to demonstrate linkage between specific controls and risks to be developed
		3 Sufficient time and attention should be spent on identifying, evaluating, and managing risks and developing and monitoring appropriate controls [105]	The review of the risk register is a standing item on the agenda for the monthly meetings of the Senior Management Team	SMT Agendas	Alter process so that the new role of GRC Officer undertakes the regular reviews outside of SMT meetings with the relevant SMT members and these are then signed off by SMT
		4 Schemes should carry out a risk assessment [106]	Annual full reassessment and rebasing of the risk register forms part of the process of updating the Corporate Strategy	Annual Review of the Corporate Strategy reported to the January meeting of the Authority each year.	
		5 Schemes should record risks in a risk register and review it regularly [108]	See above	SMT Agendas	
		6 Schemes should keep appropriate records to demonstrate compliance with legal requirements [108]	Records retention policy and associated GDPR policies in place	Policies available	Compliance reporting needs to be developed links to reporting against disclosure requirements
		7 Prioritise risks where the impact and likelihood of the risk materialising is high [109]	Reflected in both the risk management framework and the register itself	See above	Provide clearer links between actions included in strategies and risks on the risk register.
		8 Review any existing internal controls	Part of the ongoing process of business improvement and a consequence of ongoing internal and external	Internal Audit reports and Audit Committee papers	
		9 Design internal controls to mitigate main risks and consider how best to monitor them [111]			See action in relation to 7 which will facilitate this.
		10 Schemes should periodically review the adequacy of internal controls [115]	Forms part of the annual internal audit plan and is also fundamental to the process for producing the Annual Governance Statement	Annual Internal Audit Report available with Audit Committee papers on line AGS which forms part of the statement of accounts	? A more transparent controls review as part of the AGS process

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		11 Internal or external audits and / or quality assurance processes should ensure that adequate internal controls are in place and being operated effectively [116]	Comprehensive internal and external audit arrangements in place overseen by an Audit Committee of the Authority	Audit Committee Afendas are available on the website. No fundamental control issues raised by either group of auditors and Head of IA's annual conclusion provides substantial assurance over the effectiveness of the control environment	
		12 Review internal controls when substantial changes take place or where a control has been found to be inadequate [116]	Forms part of routine custom and practice		Develop a "lessons learned" process for when things go wrong that deals with issues of this sort in a more disciplined and well documented way
		13 Internal controls that regularly assess the effectiveness of investment-related decision making	Independent monitoring of performance is in place and there is an independent overview of the investment process through the independent advisers. However, decisions are now largely restricted to strategic allocations and rebalancing.	Papers for Investment Advisory Panel are available	
		14 Internal controls that regularly assess the effectiveness of data management and record keeping	Ongoing data improvement plan in place using common and conditional data scores to determine a focus for activity	Data Improvement Plan available on line with Local Pension Board papers	
		15 Internal controls that ensure that new employers understand what member data is required and how it should be supplied [112]	New employer on boarding process includes an internal checklist of requirements.	New Employer Process on website	
		16 Internal controls that require internal or external auditors to audit any automated systems [112]	In place	Audit Plans	
		17 Internal controls to ensure that systems support the maintenance and retention of good member records [112]	DART software used to monitor quality of scheme member data	Data Improvement Plan	Publication of data quality scores within regular performance reporting
		18 Internal controls that ensure data are complete (e.g. undertake a data cleansing or member tracing exercise and review this on a regular basis (at least annually or at regular intervals that they consider appropriate) [112]	DART software used to monitor quality of scheme member data	Data Improvement Plan	Review and improve process for tracing members.
		19 Ensure that all staff completes information management training before they are given access to sensitive data	Forms part of induction process together with annual refresher	Induction process documentation	Improve transparency of reporting of completion in terms of induction and refresher as part of revised approach to L&D which formed part of the 2020/21 budget
		20 Ensure that member communications are reviewed regularly [112]	Regular communications such as Benefit Statements and newsletters are tested with the customer group.	Version control on publications on website and review dates assigned.	New working group to be established to review all individual member communications.
		21 Schemes should put in place systems and processes for making an objective assessment of the strength of an employer's covenant	Employers with no guarantor from tax-raising body were identified as part of the 2019 valuation preparations and individual funding discussions were held with impacted employers.	Adjusted funding targets agreed with a number of employers as valuation outcomes.	Risky employers to be subject to ongoing monitoring and engagement in the inter-valuation period.