



TPR General code of practice

South Yorkshire Pension Fund - Scheme Assessment

Prepared for: South Yorkshire Pensions Authority
South Yorkshire Pensions Authority
South Yorkshire Pension Board

Prepared by: Aon
Date: 27 April 2024

Introduction






TPR Code Compliance model

This report sets out how South Yorkshire Pension Fund complies with the Pension Regulator's (TPR) General code of practice (the Code) in relation to the management of the South Yorkshire Pension Fund which is part of the Local Government Pension Scheme (LGPS).

Note that the Code applies to governing bodies of all occupational, personal and Public Service Pension Schemes and therefore it is generic in nature. This document highlights all the key elements of the Code relevant to Public Service Pension Schemes and sets out whether South Yorkshire Pensions Authority is compliant in each of the Code's modules. There may be a number of requirements relating to these elements that are specifically stipulated within LGPS legislation and it is not the purpose of this compliance model to consider that level of detail.

Key

-  Compliant
-  Compliant in some but not all areas
-  Not currently compliant

PC Pension Committee (or equivalent)

PB Local Pension Board

TPR The Pensions Regulator

LGPS Local Government Pension Scheme

Code TPR's General code of practice

For SYPA, this is the Authority.



The governing body

The governing body – at a glance



Board Structure and activities

Fully compliant in 3 out of 5 modules



2 questions are red and 2 questions are amber out of 30 questions.

Knowledge and understanding requirements

Fully compliant in 1 out of 2 modules



No questions are red and 2 questions are amber out of 20 questions.

Advisers and service providers

Fully compliant in 0 out of 1 module



No questions are red and 4 questions are amber out of 19 questions.

Risk Management

Fully compliant in 2 out of 6 modules



4 questions are red and 4 questions are amber out of 50 questions.

Essential actions

- Some of the recruitment, succession planning etc processes should be documented in more detail (beyond what is Constitutions) - some will cover both SYPA and LPB, but some LPB only.
- Consider how to better implement the Equality Scheme within the recruitment practices.
- Develop training/induction specifically focused on Chairs skills/expectations.
- Develop a process to ensure regular reviews of skills/behaviour required of Chairs.
- Ensure Contract Standing Orders articulates that the payments to advisers including independent advisers are covered as part of procurement process.
- Recognise LPB are keen to do more bespoke training/individual training wishes (already in progress).
- Further work to be doing in considering how to review and incorporate wider skills within the LPB (including consideration of EDI).
- Develop individual training plans.
- As per answers above
- As per answers above

Comments

General consensus is to put creating an Own Risk Assessment as lower priority whilst focusing on other areas of Code, and also to allow LGPS national guidance to perhaps be released in this area

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

The governing body



Board structure and activities

Essential Actions

Module	Question	Action
1 Recruitment and appointment to the governing body	1	Some of the recruitment, succession planning etc processes should be documented in more detail (beyond what is Constitutions) - some will cover both SYPA and LPB, but some LPB only.
2 Recruitment and appointment to the governing body	2	Consider how to better implement the Equality Scheme within the recruitment practices.
3 Appointment and role of the chair	3	Develop training/induction specifically focused on Chairs skills/expectations.
4 Appointment and role of the chair	4	Develop a process to ensure regular reviews of skills/behaviour required of Chairs.
5 Remuneration and fee policy	1	Ensure Contract Standing Orders articulates that the payments to advisers including independent advisers are covered as part of procurement process.

Other Actions

Module	Question	Action
1 No Actions		

Knowledge and understanding requirements

Essential Actions

Module	Question	Action
1 Governance of knowledge and understanding	1	Recognise LPB are keen to do more bespoke training/individual training wishes (already in progress).
2 Governance of knowledge and understanding	3	Further work to be doing in considering how to review and incorporate wider skills within the LPB (including consideration of EDI).
3 Governance of knowledge and understanding	4	Develop individual training plans.
4 Governance of knowledge and understanding	8	As per answers above
5 Governance of knowledge and understanding	10	As per answers above
6 Governance of knowledge and understanding	11	As per answers above

Other Actions

Module	Question	Action
1	No Actions	

Advisers and service providers

Essential Actions

Module	Question	Action	
1	Managing advisers and service providers	7	Need to document and clarify who can request work and manage contracts
2	Managing advisers and service providers	8	Need to document and clarify who can request work and manage contracts i.e. improved contract management.
3	Managing advisers and service providers	13	Need to incorporate a process to ensure improved contact management and regular SLA/KPIs, and better escalation processes.
4	Managing advisers and service providers	16	Work to be done to consider how robust contract provisions are and ensure everything fully incorporated into business continuity plan.

Other Actions

Module	Question	Action
1	No Actions	

Risk management

Essential Actions

Module	Question	Action	
1	Internal controls	3	Further work to be done in identifying single points of failure and ensuring internal controls are documented for these, as well as ensuring all administration tasks are documented (e.g. non-UPM areas).
2	Scheme continuity planning	2	Develop new BCP covering full SYPA operations
3	Scheme continuity planning	5	Further work to be carried out to get assurance on BCPs from all service providers
4	Scheme continuity planning	11	Contingency plans for staffing shortages to be considered as part of new BCP development
5	Conflicts of interest	5	Looking to record details from declarations in a central spreadsheet.

Other Actions

Module	Question	Action
1 Identifying, evaluating and recording risks	2	At next review, will consider any further updates required as part of TPR General Code.
2 Conflicts of interest	1	Consider moving to one Policy covering all, rather than having a separate one for LPB.

Scheme governance

Essential Actions

Module	Question	Action
1 No Actions		

Other Actions

Module	Question	Action
1 No Actions		



The governing body

Modules

Board structure and activities

- Role of the governing body (1)
- Recruiting and appointment to the governing body (2,6)
- *Arrangements for member-nominated trustee appointments* (7)
- Appointment and role of the chair (5)
- Meetings and decision-making (1)
- Remuneration and fee policy (4)

Knowledge & understanding requirements

- Knowledge and understanding (3,6)
- Governance of knowledge and understanding (3,6)

Value for scheme members (DC only)

- *Value for members* (7)

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

(1) Applies

(2) Mostly applies

(3) Partially applies

(4) Good practice

(5) Mostly good practice

(6) Partially good practice

(7) Does not apply

Advisers and service providers

- Managing advisors and service providers (4)

Risk management

- Identifying, evaluating and recording risks (1)
- Internal controls (1)
- Assurance reports on internal controls (1)
- Scheme continuity planning (4)
- Conflicts of interest (3,6)
- Own risk assessment (4)
- *Risk management function* (7)

Scheme governance

- Systems of governance (4)





Funding and investment

Funding and investment – at a glance



Investment

Fully compliant in 1 out of 4 modules



3 questions are red and 5 questions are amber out of 37 questions.

Essential actions

- Terms of reference for Investment Panel to be created
- Ongoing reviews of AVCs to be commissioned and ensure happen regularly.
- SYPA intends to become a Signatory (October 2024 submission)
- Ensure climate risk is considered from an operational perspective is consider (2025/26). Will be considered as part of business continuity plan during 2024/25.
- As above
- See above

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Funding and investment



Investment

Essential Actions

Module	Question	Action
1 Investment governance	7	Terms of reference for Investment Panel to be created
2 Investment governance	13	Ongoing reviews of AVCs to be commissioned and ensure happen regularly.
3 Stewardship	3	SYPA intends to become a Signatory (October 2024 submission)
4 Climate change	3	Ensure climate risk is considered from an operational perspective is consider (2025/26). Will be considered as part of business continuity plan during 2024/25.
5 Climate change	4	As above
6 Climate change	5	See above

Other Actions

Module	Question	Action
1 Investment monitoring	8	Consider whether to expand monitoring to incorporate volatility and risk.

Funding and investment



Modules

Investment

- Investment governance (4)
- *Investment decision making (7)*
- Investment monitoring (4)
- Stewardship (6)
- Climate change (3,6)
- *Statement of investment principles (6)**
- *Default arrangements and charge restrictions (7)*

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply

* Note that for the Statement of investment principles module the Code references good practice for PSPSs. However, due to the overriding legal requirement to have an Investment Strategy Statement (ISS) in place we have not included any questions on this module but have referred to the ISS within the Investment governance module.





Administration

Administration – at a glance



Scheme administration

Fully compliant in 0 out of 1 module



1 question is red and 4 questions are amber out of 16 questions.

Information handling

Fully compliant in 0 out of 4 modules



3 questions are red and 9 questions are amber out of 42 questions.

IT

Fully compliant in 1 out of 2 modules



No questions are red and 3 questions are amber out of 17 questions.

Contributions

Fully compliant in 2 out of 3 modules



2 questions are red and 1 question is amber out of 13 questions.

Essential actions

- All tasks and processes to be reviewed as part of administration improvement plan
- All tasks and processes to be reviewed as part of administration improvement plan, together with an ongoing cycle of reviews and better use of performance data
- As part of management information development, legal timescales will be monitored and reported.
- Business continuity plan being developed during 2024/25
- Consider whether any non-UPM processes are not documented
- Develop KPIs for supplier payments
- Data improvement plan, articulating actions and tracking against them, to be developed
- Ensure all transfer out procedures are documented, ensuring compliance with scam requirements.
- Legal targets are still to be programmed/set up within UPM for ongoing monitoring.
- Ensure all transfer out procedures are

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Administration



Scheme administration

Essential Actions

Module	Question	Action
1 Planning and maintaining administration	3	All tasks and processes to be reviewed as part of administration improvement plan
2 Planning and maintaining administration	10	All tasks and processes to be reviewed as part of administration improvement plan, together with an ongoing cycle of reviews and better use of performance data
3 Planning and maintaining administration	11	As part of management information development, legal timescales will be monitored and reported.
4 Planning and maintaining administration	15	Business continuity plan being developed during 2024/25
5 Planning and maintaining administration	16	Consider whether any non-UPM processes are not documented

Other Actions

Module	Question	Action
1 Planning and maintaining administration	14	Investigate auto-allocation

Information handling

Essential Actions

Module	Question	Action
1 Financial transactions	6	Develop KPIs for supplier payments
2 Financial transactions	9	Data improvement plan, articulating actions and tracking against them, to be developed
3 Transfers out	1	Ensure all transfer out procedures are documented, ensuring compliance with scam requirements.
4 Transfers out	2 a	Legal targets are still to be programmed/set up within UPM for ongoing monitoring.
5 Transfers out	3 b	Ensure all transfer out procedures are documented, ensuring compliance with scam requirements.
6 Record keeping	2 a	Ongoing work to improve data and clear backlogs

7 Record keeping	3	Data retention timescales to be reviewed (including consideration of lawfully retaining data) and implemented
8 Record keeping	4	Review retention policies for legitimate purposes (as above)
9 Record keeping	5	Complete review of need to retain microfiche historical records
10 Record keeping	17	Documenting and recording of breaches to be developed, as well as a formal escalation process to resolve issues with employers not meeting requirements.
11 Data monitoring and improvement	1	Put in place Data Improvement Strategy and Data Improvement Plan with actions that are monitored.
12 Data monitoring and improvement	4	Ensure Data Improvement Plan documents data reviews and their findings, and ongoing actions.
13 Data monitoring and improvement	5	Put in place Data Improvement Strategy and Data Improvement Plan with actions that are monitored.
14 Data monitoring and improvement	6	Ensure Data Improvement Strategy includes action/decisions relating to where data cannot be corrected

Other Actions

Module	Question	Action
1 Data monitoring and improvement	9	Going forward implementing further training for all middle managers and SMT/point of escalation training and also the Board

IT

Essential Actions

Module	Question	Action
1 Cyber controls	1	Create a specific cyber security policy. Also carry out review against TPR Cyber Guidance which is more detailed.
2 Cyber controls	8	Cyber hygiene guidelines to be reconsidered as part of review of these policies and documents during 2024.
3 Cyber controls	9	Data/asset mapping to be updated to assist in identifying any potential target areas for cyber crime. Further work to done to incorporate cyber resilience testing for third parties/suppliers.

Other Actions

Module	Question	Action
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1 No Actions

Contributions

Essential Actions

Module	Question	Action
1 Resolving overdue contributions	1	Ensure a documented procedure for recording/monitoring/pursuing missing monthly schedules/contributions is in place (or any gaps in a current documented procedures)
2 Resolving overdue contributions	3	Ensure any written procedure includes clear processes to identify fraudulent activity.
3 Resolving overdue contributions	4	Ensure any written procedure includes clear escalation within SYPA, including when to report to TPR.

Other Actions

Module	Question	Action
1 Monitoring contributions	5	Investigate ways to increase monitoring, perhaps through internal audit.

Administration



Modules

Scheme administration

- Planning and maintaining administration (1)

Information handling

- Financial transactions (1)
- Transfers out (2)
- Record-keeping (3,6)
- Data monitoring and improvement (1)

IT

- Maintenance of IT systems (1)
- Cyber controls (2,6)

Contributions

- Receiving contributions (3)
- Monitoring contributions (1)
- Resolving overdue contributions (1)

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply





Communications and disclosure

Communications and disclosure – at a glance



Information to members

Fully compliant in 1 out of 5 modules



3 questions are red and 6 questions are amber out of 22 questions.

Public information

Fully compliant in 0 out of 2 modules



2 questions are red and 2 questions are amber out of 14 questions.

Essential actions

- Implement legal timescale monitoring within UPM.
- Consider feasibility of reviewing all scheme member communications to meet Plain English standards
- Review digital inclusion.
- Ensure AVC statements issued by Prudential and Scottish Widows are issued within future legal timescales
- Check on whether AVC providers are meeting legal requirements in relation to the information included on annual statements.
- Clear backlogs and then ensure that the notifications on rights and options are issued within 3 month legal timescale
- Ensure that all scam requirements are being followed
- Further training on scam management to be carried to the full team
- Ensure that all scam requirements are being followed
- Review and ensure information published meets

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Communication and disclosure



Information to members

Essential Actions

Module	Question	Action
1 General principles for member communications	1 b	Implement legal timescale monitoring within UPM.
2 General principles for member communications	2	Consider feasibility of reviewing all scheme member communications to meet Plain English standards
3 General principles for member communications	3	Review digital inclusion.
4 Benefit information statements (PSPS)	4	Ensure AVC statements issued by Prudential and Scottish Widows are issued within future legal timescales
5 Benefit information statements (PSPS)	5	Check on whether AVC providers are meeting legal requirements in relation to the information included on annual statements.
6 Notification of right to cash transfer sum or contribution refund	1	Clear backlogs and then ensure that the notifications on rights and options are issued within 3 month legal timescale
7 Scams	1	Ensure that all scam requirements are being followed
8 Scams	2	Further training on scam management to be carried to the full team
9 Scams	4	Ensure that all scam requirements are being followed

Other Actions

Module	Question	Action
1 No Actions		

Public information

Essential Actions

Module	Question	Action
1 Publishing scheme information (PSPS)	2	Review and ensure information published meets the Codes requirements.
2 Publishing scheme information (PSPS)	4	Process to be developed to ensure all changes are made within one month.
3 Dispute resolution procedures	2 a	Ensure employers are reminded of requirement to provide this information on a regular basis.

4 Dispute resolution procedures

10

As part of improved IDRPs reporting, ensure that the IDRPs timescales will be better adhered to and communication with members improved.

Other Actions

Module

Question Action

1 No Actions

Communication and disclosure



Modules

Information to members

- General principles for member communications (1)
- *Annual pension benefit statements (DC) (7)*
- *Summary funding and pension benefit statements (DB) (7)*
- Benefit information statements (PSPS) (1)
- Retirement risk warnings and guidance (1)
- Notification of right to cash transfer sum or contribution refund (2)
- *Chair's statement (7)*
- Scams (1)
- *Audit requirements (7)*

Public information

- Publishing scheme information (PSPS) (2,6)
- Dispute resolution procedures (2,6)

Notes:

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- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply



Reporting to TPR



Reporting to TPR – at a glance



Regular reports

Fully compliant in 1 out of 1 module



No questions are red and no questions are amber out of 3 questions.

Whistleblowing- Reporting breaches of the law

Fully compliant in 0 out of 4 modules



5 questions are red and 2 questions are amber out of 11 questions.

Essential actions

- Ensure all breaches are identified and recorded (including administration legal timescales and late/estimated contributions)
- Ensure induction training highlights the personal responsibility about reporting significant breaches, as well as what breaches are/ensuring sharing procedure.
- Ensure induction training highlights the personal responsibility about reporting significant breaches, as well as what breaches are/ensuring sharing procedure.
- Ensure breaches log is updated to ensure assessments are carried out in line with procedure
- Ensure breaches log is updated to cover all breaches, not just those that are being reported
- Contribution procedures to be updated to include escalation and eventual reporting to TPR.
- Ensure breaches log is updated to cover all breaches, not just reportable ones.

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Reporting to TPR



Regular reports

Essential Actions

Module	Question	Action
1 No Actions		

Other Actions

Module	Question	Action
1 No Actions		

Whistleblowing - reporting breaches of the law

Essential Actions

Module	Question	Action
1 Who must report	1	Ensure all breaches are identified and recorded (including administration legal timescales and late/estimated contributions)
2 Who must report	3	Ensure induction training highlights the personal responsibility about reporting significant breaches, as well as what breaches are/ensuring sharing procedure.
3 Who must report	4	Ensure induction training highlights the personal responsibility about reporting significant breaches, as well as what breaches are/ensuring sharing procedure.
4 Decision to report	2	Ensure breaches log is updated to ensure assessments are carried out in line with procedure
5 How to report	3	Ensure breaches log is updated to cover all breaches, not just those that are being reported

Other Actions

Module	Question	Action
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1 Who must report

2

Ensure Breaches Procedure is aligned to new TPR Code and Guidance when refreshed in 2024

Reporting to TPR



Modules

Regular reports

- Registrable information and scheme returns (1)

Whistleblowing - reporting breaches of the law

- Who must report (1)
- Decision to report (1)
- How to report (1)
- Reporting payment failures (1)

Notes:

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- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply



The information set out in this report is based on the expectations set out in the Code, compared to your current practice and it is not a regulatory and compliance audit. The information is based on the responses by the Administering Authority to questions set by Aon based on information contained in the Code.

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