



TPR General code of practice

North Yorkshire Pension Fund (NYPF) - Scheme Assessment

Prepared for: North Yorkshire Council
NYPF Pension Committee
NYPF Pension Board

Prepared by: Aon
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Introduction






TPR Code Compliance model

This report sets out how North Yorkshire Pension Fund (NYPF) complies with the Pension Regulator's (TPR) General code of practice (the Code) in relation to the management of the North Yorkshire Pension Fund (NYPF) 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 North Yorkshire Council 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 |



The governing body

The governing body – at a glance



Board Structure and activities

Fully compliant in 2 out of 5 modules



5 questions are red and 3 questions are amber out of 30 questions.

Knowledge and understanding requirements

Fully compliant in 0 out of 2 modules



2 questions are red and 5 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 1 out of 6 modules



5 questions are red and 5 questions are amber out of 50 questions. 1 question is unanswered.

Scheme governance

Fully compliant in 0 out of 1 module



2 questions are red and 8 questions are amber out of 24 questions.

Essential actions

- Expected behaviours & standards to be included in future induction training
To be included in training policy/strategy document
Training policy currently being updated
- To reassess annually following reappointment to committee
To suggest training modules to complete based on skills gaps & meeting subject matter such as Valuations.
- Not in the constitution, possibly governance policy para in to cover. Democratic services discussion.
- Role of chair process not detailed enough, revisit whole section, speak to Democratic Services
- Role of chair process not detailed enough, revisit whole section, speak to Democratic Services
- Chair skills and behaviours, speak Democratic Services
- Additional question in skills gap analysis
What was given to new PFC chair?

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.

The governing body



Board structure and activities

Essential Actions

| Module | Question | Action |
|---|----------|---|
| 1 Role of the governing body | 3 | Expected behaviours & standards to be included in future induction training To be included in training policy/strategy document Training policy currently being updated |
| 2 Recruitment and appointment to the governing body | 4 | To reassess annually following reappointment to committee To suggest training modules to complete based on skills gaps & meeting subject matter such as Valuations. |
| 3 Recruitment and appointment to the governing body | 6 | Not in the constitution, possibly governance policy para in to cover. Democratic services discussion. |
| 4 Appointment and role of the chair | 1 | Role of chair process not detailed enough, revisit whole section, speak to Democratic Services |
| 5 Appointment and role of the chair | 2 | Role of chair process not detailed enough, revisit whole section, speak to Democratic Services |
| 6 Appointment and role of the chair | 3 | Chair skills and behaviours, speak Democratic Services |
| 7 Appointment and role of the chair | 4 | Additional question in skills gap analysis What was given to new PFC chair? Not technical skills but softer Chair training |
| 8 Remuneration and fee policy | 4 | Remuneration & fees - include in Governance Compliance Statement. Page 440 & 444 of constitution |

Other Actions

| Module | Question | Action |
|---|----------|---|
| 1 Recruitment and appointment to the governing body | 1 | To review constitution - content about PFC may not be sufficient Governance Compliance Statement - more detail, speak to Democratic Services |
| 2 Recruitment and appointment to the governing body | 3 | Anything in the EDI policy maybe helping diversity, EDI when appointing to committee |
| 3 Meetings and decision-making | 4 | Rare occurrence, if decision outside meeting then will be included in subsequent meeting discussion and minutes |
| 4 Remuneration and fee policy | 1 | Remuneration & fees - include in Governance Compliance Statement. Page 440 & 444 of constitution |

Knowledge and understanding requirements

Essential Actions

| Module | Question | Action |
|---|----------|---|
| 1 Knowledge and understanding | 1 | Make sure everything referenced in code is in the training policy |
| 2 Knowledge and understanding | 6 | Revisit training policy |
| 3 Governance of knowledge and understanding | 3 | to set up annual review process and training delivery from outcome Undertake skills gap analysis |
| 4 Governance of knowledge and understanding | 4 | consider development plans |
| 5 Governance of knowledge and understanding | 10 | to set up annual review process and training delivery from outcome Undertake skills gap analysis |
| 6 Governance of knowledge and understanding | 11 | consider development plans |

Other Actions

| Module | Question | Action |
|--------------|----------|--------|
| 1 No Actions | | |

Advisers and service providers

Essential Actions

| Module | Question | Action |
|---|----------|--|
| 1 Managing advisers and service providers | 7 | Create Contract Management and Delegation document to handle asking of work from service providers link to Procurement manual |
| 2 Managing advisers and service providers | 9 | conflict of interest - fund wide policy - managing ongoing contracts and senior staff |
| 3 Managing advisers and service providers | 16 | BCP undergoing review |

Other Actions

| Module | Question | Action |
|--------------|----------|--------|
| 1 No Actions | | |

Risk management

Essential Actions

| Module | Question | Action |
|---|----------|---|
| 1 Identifying, evaluating and recording risks | 5 k | To add conflicts of interest at next risk register review |
| 2 Internal controls | 6 | Internal controls - include in risk policy each area of Fund documents own areas of responsibilities |
| 3 Assurance reports on internal controls | 3 | Service providers to provide regular assurance reports, Heywood, Aon, Ward Hadaway, etc |
| 4 Scheme continuity planning | 1 | Currently being reviewed and updated |
| 5 Conflicts of interest | 1 | Conflicts of interest - nothing that covers officers. Requirement of good governance recommendations |
| 6 Conflicts of interest | 8 | Need to write a Fund conflict of interests policy and it will follow the code |

Other Actions

| Module | Question | Action |
|--------------|----------|--------|
| 1 No Actions | | |

Scheme governance

Essential Actions

| Module | Question | Action |
|-------------------------|----------|---|
| 1 Systems of governance | 1 | Expected behaviours & standards to be included in future induction training |
| 2 Systems of governance | 4 | Revisit training policy |
| 3 Systems of governance | 5 | to set up annual review process and training delivery from outcome consider development plans |
| 4 Systems of governance | 7 | Business continuity plan is in the process of being updated Bus Impact Assessment completed |
| 5 Systems of governance | 8 | referred 1 question to Gary F |
| 6 Systems of governance | 10 | Business continuity plan is in the process of being updated Bus Impact Assessment completed |
| 7 Systems of governance | 16 | To create ESOG review policy To discuss with Veritau to include as part of internal audit program. To review an element each year. |
| 8 Systems of governance | 21 | To create high level policy regarding cases of missing data but ultimately they need to be handled on a case by case basis |

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 3 out of 4 modules



No questions are red and 1 question is amber out of 37 questions.

Essential actions

- RI policy - check it covers operational risk

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 Climate change | 1 | RI policy - check it covers operational risk |

Other Actions

| Module | Question | Action |
|--------------|----------|--------|
| 1 No Actions | | |

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



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

Information handling

Fully compliant in 1 out of 4 modules



2 questions are red and 1 question is amber out of 42 questions.

Essential actions

- Admin responsibilities and tasks - Include in governance roles & responsibilities document
- Admin processes - ongoing project to create working processes
- BCP - currently in review
- Policy documented around when data can't be corrected - To create high level policy regarding cases of missing data but ultimately they need to be handled on a case by case basis
- Maintaining own IT - service providers - assurance reports.
- Cyber Policy review when results of cyber scorecard received
- Cyber Controls - service providers assurance reports
NYC, Heywoods, B2C, custodian
- Move to i-Connect remittance functionality would improve efficiency and accuracy
- Check what i-Connect does re contributions vs p.able pay. And what checks are done at year end
- Resolving Conts - Documented process needed for Finance actions on overdue contributions.

IT

Fully compliant in 0 out of 2 modules



3 questions are red and 1 question is amber out of 17 questions.

Contributions

Fully compliant in 1 out of 3 modules



No questions are red and 2 questions are amber out of 13 questions.

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 | Admin responsibilities and tasks - Include in governance roles & responsibilities document |
| 2 Planning and maintaining administration | 14 | Admin processes - ongoing project to create working processes |
| 3 Planning and maintaining administration | 15 | BCP - currently in review |

Other Actions

| Module | Question | Action |
|--------------|----------|--------|
| 1 No Actions | | |

Information handling

Essential Actions

| Module | Question | Action |
|-----------------------------------|----------|--|
| 1 Data monitoring and improvement | 6 | Policy documented around when data can't be corrected - To create high level policy regarding cases of missing data but ultimately they need to be handled on a case by case basis |

Other Actions

| Module | Question | Action |
|--------------|----------|--------|
| 1 No Actions | | |

IT

Essential Actions

| Module | Question | Action |
|-----------------------------|----------|---|
| 1 Maintenance of IT systems | 8 | Maintaining own IT - service providers - assurance reports. |
| 2 Cyber controls | 1 | Cyber Policy review when results of cyber scorecard received |
| 3 Cyber controls | 9 | Cyber Controls - service providers assurance reports NYC, Heywoods, B2C, custodian |

Other Actions

| Module | Question | Action |
|--------------|----------|--------|
| 1 No Actions | | |

Contributions

Essential Actions

| Module | Question | Action |
|-----------------------------------|----------|--|
| 1 Monitoring contributions | 1 | Move to i-Connect remittance functionality would improve efficiency and accuracy |
| 2 Monitoring contributions | 5 | Check what i-Connect does re contributions vs p.able pay. And what checks are done at year end |
| 3 Resolving overdue contributions | 1 | Resolving Conts - Documented process needed for Finance actions on overdue contributions. |

Other Actions

| Module | Question | Action |
|--------------|----------|--------|
| 1 No Actions | | |

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:

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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





Communications and disclosure

Communications and disclosure – at a glance



Information to members

Fully compliant in 5 out of 5 modules



No questions are red and no questions are amber out of 22 questions.

Public information

Fully compliant in 1 out of 2 modules



No questions are red and 1 question is amber out of 14 questions.

Essential actions

None

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 No Actions | | |

Other Actions

| Module | Question | Action |
|--------------|----------|--------|
| 1 No Actions | | |

Public information

Essential Actions

| Module | Question | Action |
|--------------|----------|--------|
| 1 No Actions | | |

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 2 out of 4 modules



1 question is red and 1 question is amber out of 11 questions.

Essential actions

- Reporting Breaches - check what Hymans platform provides
- Reporting of Breaches - make sure Finance team are fully aware of requirements to report breaches.
- Contribution payment failures - Senior Fund accountant needs to ensure reporting mechanism is added to process and they are logged on the breaches log

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 | 4 Reporting Breaches - check what Hymans platform provides |

Other Actions

| Module | Question | Action |
|--------|------------|--------|
| 1 | No Actions | |

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:

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



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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