



# Broadstone Academy General Code of Practice





Name:  
Chris McCarthy

Occupation:  
Senior Consultant

Specialist Subject:  
General Code of Practice

# Agenda

- Background to the General Code
- What's new / worth noting?
- Effective System of Governance (ESOG)
- Own Risk Assessment
- New policies in detail
- Establishing your ESOG & complying with the Code
- How can Broadstone help?

## Quiz question to start....

What do all these have in common?



# General code of practice



## Quiz question to start....

They were originally known as something else



# Single code of practice





# Background to the General Code

A long time in the waiting

- **Pension Schemes (Governance) (Amendment) Regulations 2018**
- **“Single Code of Practice”**
- **Consultation 17 March 2021 to 26 May 2021**
- **Interim response to consultation 24 August 2021**
- **The Code formerly known as “Single” becomes “General Code of Practice”**
- **General Code laid before Parliament 10 January 2024**
- **40 days**
- **General Code will be effective from 27 March 2024**

*“The new general code of practice is expected to come into force in March after the existing codes have been revoked. At this point we will publish an easy to navigate, full online version in a dedicated section of our website.”*

The Pensions Regulator  
10 January 2024

## Background to the General Code

How is the new Code structured?

10 Codes of Practice into one



Broken down into 5 Sections



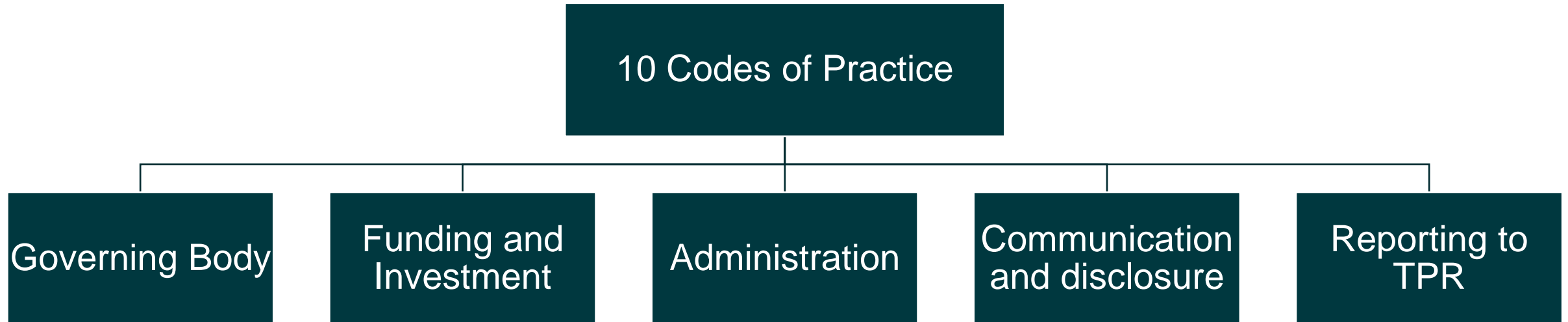
171 pages worth

*“Although the new general code of practice looks different, many of the standards are not new. The expectations are set out in short, focused modules – making it easier for you to find, understand and meet our expectations.”*

The Pensions Regulator  
10 January 2024

## Background to the General Code

How is the new Code structured?





## What's new / worth noting?



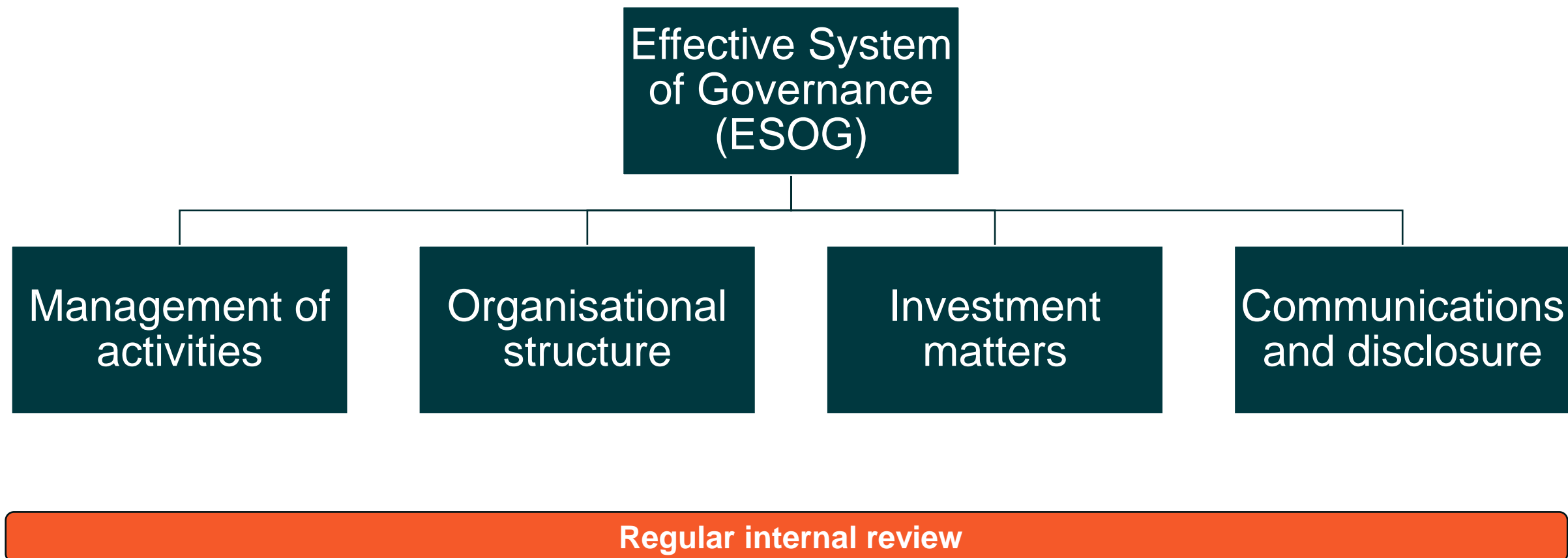
## Effective System of Governance



*“We consider that the ESOG is predominately a rebadging of things that the governing bodies of well-run schemes should be doing already.”*

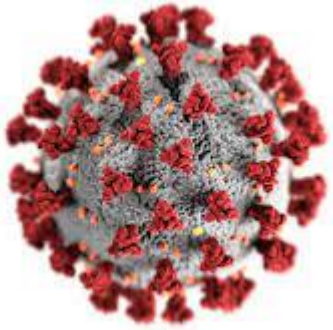
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## Effective System of Governance



# Effective System of Governance

## Governance in practice





## Own Risk Assessment





- 100 or more members
- Must carry out and document ORA
- Assessment of:
  - ✓ how well the ESOG is working
  - ✓ the way potential risks are managed
- Built on existing processes and added value
- Reuse material that examines the same areas covered by the scheme's existing risk assessment processes
- 12 months of end of first Scheme Year (or longer...)
- Every 3 years thereafter

*Many governing bodies will already undertake aspects of the ORA and will not need to duplicate this work. The ORA may therefore be a collation or index of other relevant documents recording these assessments. Where services or functions are outsourced, governing bodies may choose to incorporate assurance reporting supplied by service providers into their ORA.*

## New policies in detail

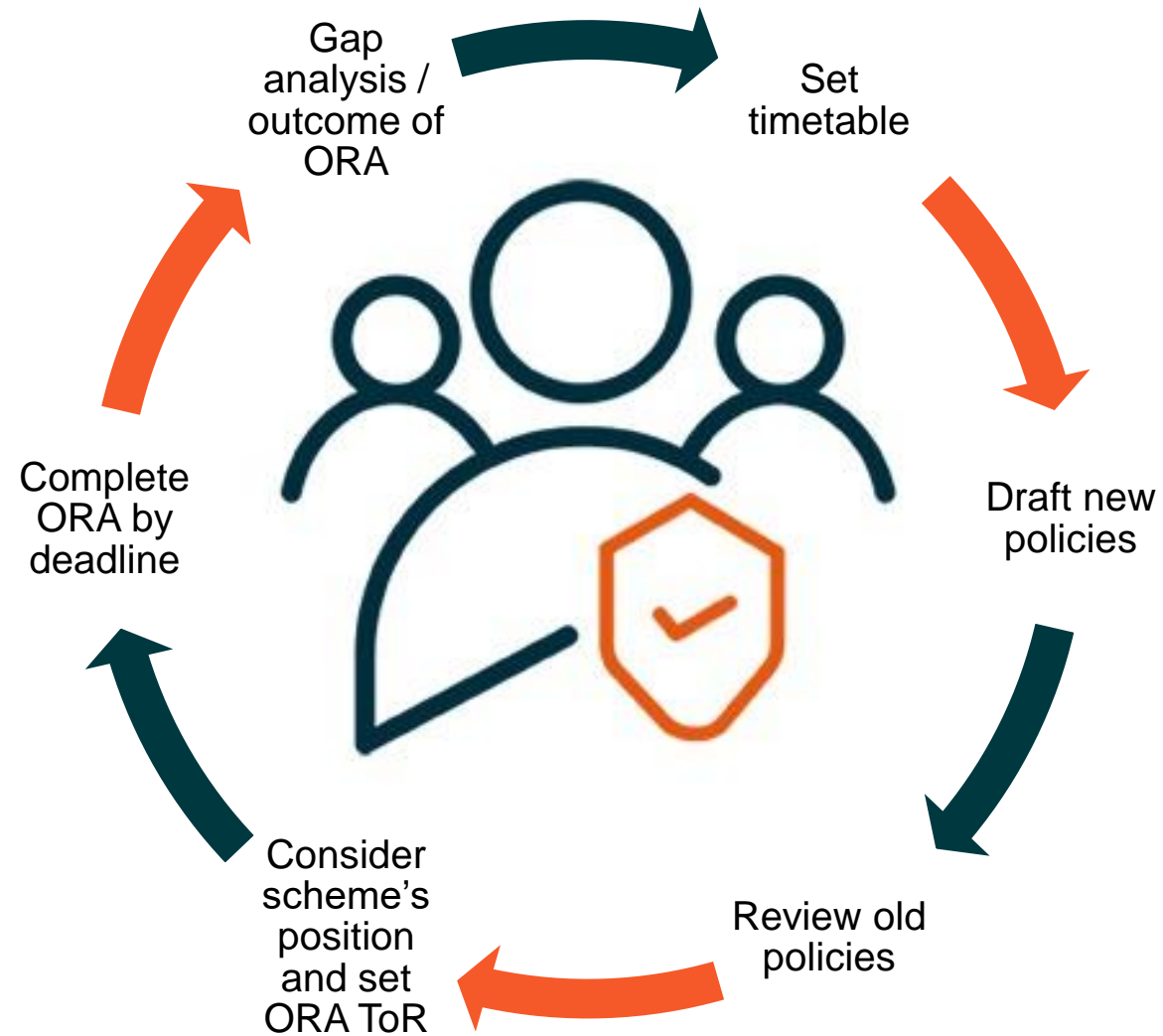
 <b>Remuneration Policy</b>	 <b>Cyber Risk</b>
100 or more members	Ensure governing body has knowledge of cyber risk
Sets out the basis and means for paying those undertaking activities in relation to the scheme	Clearly defined roles
Costs not controlled by governing body not included	Include cyber risk on risk register
High level - £ amounts not needed	Assess at appropriate intervals, the vulnerability of the scheme's key functions, systems, assets (including data assets) to a cyber incident
Not published on a website	Consider accessing specialist skills and expertise to understand and manage the risk
	Maintain a cyber incident response plan in order to safely and swiftly resume operations
	Ask service providers to confirm the controls / accreditations in place

## New policies in detail

 <b>Climate Change</b>	 <b>Scheme Continuity planning</b>
Emphasis on investments	Seek to ensure that performance of scheme activities is continuous and regular
All pension schemes face some degree of material risk from physical effects and transition to low carbon economy	Resilient business continuity plan
Maintain and document processes for identifying and assessing risks	Ensure advisers and service providers have business continuity plan in place
ESG policies in Statement of Investment Principles (more than 100 members)	
Task Force on Climate-related Financial Disclosures	



## Establishing your ESOG & complying with the Code



## Establishing your ESOG & complying with the Code

Asking the right questions...

- **What will you do if you can't get a member-nominated trustee?**
- **Do you know what skills you have across the Trustee board?**
- **Have you got a business continuity plan for the scheme?**
- **Are you comfortable that investment decisions can be made in an effective and timely manner?**
- **Have you thought about communicating in different languages, or using different font sizes?**
- **When did you last review the IDRP?**
- **When did you last make sure that your risk register remained appropriate?**
- **Does your scheme have a journey plan and does your governance structure reflect this?**



# Establishing your ESOG & complying with the Code

## Practical steps

Gap Analysis v Suite of new policies

Gap Analysis – Full in depth or light touch

New policies – concentrate on ESOG

Based on specific circumstances e.g. journey planning, buy-in

First review – make sure fully compliant with Code

Own Risk Assessment

## How can Broadstone help?

The importance of a Scheme Secretary

Can facilitate 'risk management function'

Help answer the important questions and offer practical solutions

Prepare and maintain policy documents

Liaise with all connected parties

Help trustees deal with discretions and decisions

Handling of disputes

Managing projects

Broadstone Academy

Online solutions – Broadstone Engage

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