

ITEM 9

PENSION FUND COMMITTEE – 7 MARCH 2025

GOVERNANCE & COMMUNICATIONS REPORT

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. The Committee is **RECOMMENDED** to:
 - i) Note the Fund's update on the Pension Regulator's General Code of Practice.
 - ii) Note the Fund's annual review of Cyber Security.
 - iii) Note the latest quarter's breaches for the fund.
 - iv) Note the communications update.

General Code of Practice

2. The Pensions Regulator have recently published the final General Code of Practice which replaces the Code of Practice 14 for the Local Government Pension Scheme (LGPS).
3. The new General Code of Practice consists of 51 modules which relate to 5 main areas:
 - i) Governing Body – 18 modules
 - ii) Funding and Investments – 2 modules
 - iii) Administration – 10 modules
 - iv) Communications and Disclosure – 11 modules
 - v) Reporting to TPR – 4 modules.
4. All funds within the Local Government Pension Scheme (LGPS) need to be compliant to the new General Code of Practice by March 2025. To this end, the Oxfordshire Pension Fund have developed a plan to ensure compliance against the 51 modules. A visual plan has been developed which shows progress against the key stages of the plan with a red/amber/green (RAG) rating to show the current status of each key stage of the plan. This plan can be seen at **APPENDIX 1**.
5. Summary of the progress this quarter regarding the General Code of Practice:
 - i) Modules and actions completed satisfactorily this last quarter include:
 - (1) Review other LGPS fund compliance;
 - (2) Assurance of governance and internal controls (audit);

- (3) Planning and maintaining administration;
- (4) Cyber Controls;
- (5) Maintenance of IT systems;
- (6) Climate Change.

ii) A number of modules will require further work prior to being compliant:

- (1) Planning and maintaining administration;
- (2) General principles for member communications;
- (3) Reporting payment failures;
- (4) Continuity Planning.

These four modules will be complete and green after the completion of a couple of minor actions.

The fund continues to be on track to meet the March 2025 deadline of having reviewed all the required modules for the General Code of Practice.

- 6. Ensuring that the fund is compliant with the requirements of the General Code of Practice will remain a priority going into the new financial year. As such the fund will be looking into commissioning Hymans to carry out an independent oversight and challenge of the compliance work that has been carried out. Additionally, the fund will be looking to review the modules that were assessed as being compliant during the initial gap analysis carried out in 2023/24.

Annual Review of Cyber Security

- 7. In March 2024, the fund presented its first annual review of cyber security. This year's review encompasses the good practice which was adopted last year, but also incorporates the guidance and requirements that have been set out for fund's within the General Code of Practice.
- 8. All fund staff have successfully undertaken all the relevant training for cyber security and have also been 'tested' through mock phishing exercises run by OCC IT.
- 9. Quarterly meetings have been established with OCC IT to ensure that the fund is regularly briefed and updated on all the latest developments within this specialist area.
- 10. All suppliers to the fund have been asked to verify whether they are compliant with regards to effective management of cyber risk. All suppliers have confirmed this except for two who we are still waiting for.

3rd Party Supplier	Service Provided	Cyber Security Assurances Received	Response checked by OCC IT
Aquila Heywood	Pensions Software	03/02/2025	11/02/2025
Hymans Robertson	Actuarial and Governance Services	10/02/2025	11/02/2025
Prudential (M&G)	AVC Provider	20/01/2025	11/02/2025
Adare	Printing Services	14/01/2025	11/02/2025
Legal and General	AVC Provider	Chased 13/02/2025	
Bottomline	BACS Services	Chased 13/02/2025	

11. As reported above for the General Code of Practice update, the fund have reviewed the requirements set out within the 'Cyber Controls' module, and it was deemed that we met the those requirements.
12. **APPENDIX 2** is the 'Pension Services – OCC Cyber Security' report written by OCC IT. The report concludes that 'No critical security issues have been identified.'
13. The fund has now established the systems and processes to ensure that the risk of a cyber security is minimised. It clearly does not entirely eradicate the risk, however it should provide assurance that the fund is taking all the necessary steps to do so.

Breaches for the period October to December 2024

14. There are various legislative and regulatory requirements for Pension Funds regarding breaches which include the Pensions Act 2004, the UK General Data Protection Regulation (UK GDPR) and the Pension Regulator's General Code of Practice (GCOP).
15. The following table shows the number of breaches in the last quarter – October to December 2024.

	2023/4	2024/5			
Breach Type	Jan-Mar (Q4)	Apr-Jun (Q1)	Jul-Sept (Q2)	Oct-Dec (Q3)	Total
Contribution - GCOP	8	18	21	10	57
Data - GCOP	30	32	35	35	132
Other - GCOP	0	0	1	0	1
Data - GDPR	2	1	1	1	5
Total	40	51	58	46	195

Escalations in Q3					
Type of Breach	Contribution (GCOP)	Data (GCOP)	Other (GCOP)	Data (GDPR)	Total
Number escalated	2	2	0	0	4
Number resolved	2	1	0	0	3
Number carried over to next quarter	0	1	0	0	1

Code of Practice Breaches

A breach is recorded every time a contributions payment or data return is submitted after the 19th of the month following payroll. A breach is also recorded when an employer fails to provide member data or information to the administration team in line with the escalation policy.

All contribution and data breaches, including 3 of the 4 which were escalated to the Team Leader, have been resolved. The remaining escalated case is awaiting admission paperwork and is being monitored by the Team Leader.

The 'Other' GCOP breach reported in Q2 related to the delay in issuing Firefighters' Pension Scheme annual benefit statements (ABS) to members who are eligible for the remedy in the McCloud/Sargeant cases. These have been further delayed. Members have been notified of the delay to their ABS by letter and statements will be issued by 28 February 2025. The TPR is already aware of the delays in the FPS annual benefit statements and a breach was reported to TPR in Q2.

Data Breaches

One data breach occurred in Q3, which was assessed and closed by the Information Management Team.

None of the Q3 breaches were materially significant and as such were not reported to either The Pensions Regulator or the Information Commissioner.

Communications Update

16. Work to review the arrangements for the Pension Fund website is underway. Fund Officers are in discussion with the OCC web team to agree the scope of the project with a view to having a new website rolled out by March 2026.
17. The Annual Employer Forum took place on 12th February with 66 attendees across 35 employers. The agenda focussed on the 2025 valuation and investment matters.
18. Preparation is in progress for a series of six member talks for OCC, at different locations across the county - to take place in March 2025.

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