



Tayside Pension Fund

General Code of Practice

Gap analysis – updated report July 2025

isio.

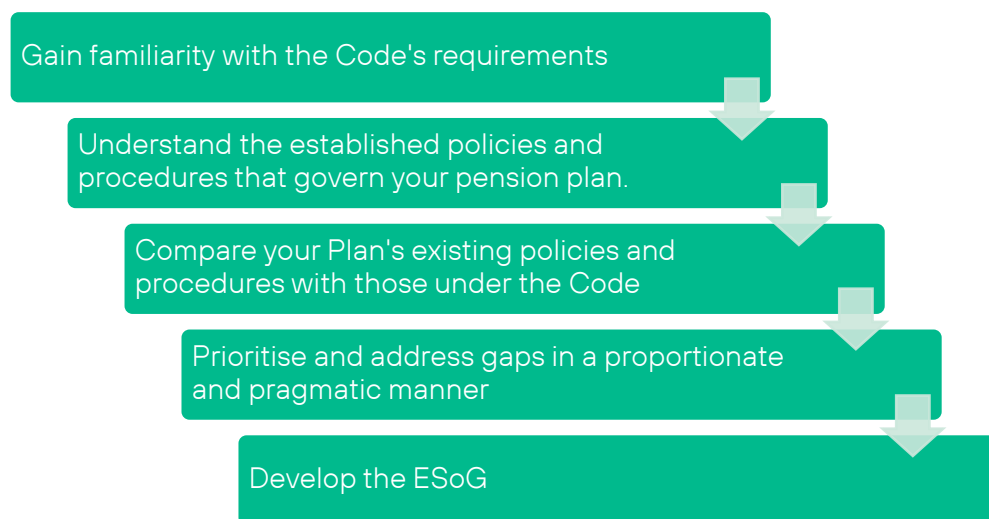
Background

What is the new code?

The new General Code of Practice (the "Code") from The Pensions Regulator (tPR) is now effective. The Code can be found on tPR website here [TPR general \(single\) code of practice | The Pensions Regulator](#).

The Code pulls together 10 out of 16 of the previous pensions codes into one place and incorporates additional governance requirements. TPR is aiming to create a combined code that is clear, concise, and easier to understand as part of its drive to improve governance standards for pension plans.

All schemes need to assess the gaps between their existing scheme governance in order to establish a compliant Effective System of Governance ("ESoG") and Trustees will then need to complete their first Own Risk Assessment ("ORA"). It is expected that all defined benefit pension schemes will have work to do to comply with the Code. The key workstreams are noted below:



Purpose of this paper

Isio have carried out a gap analysis to identify where additional policies and procedures may be required or existing ones updated.

We have reviewed your existing documentation to identify the policies and procedures governing your pension scheme and assessed your schemes current policies and procedures in comparison to those outlined in the Code.

Of the 39 policies and procedures expected to be required under the code, we have identified where:

- The scheme has suitable policies in place.
- Policies or procedures exist but require documenting or updating.
- A policy is needed but is currently not in place.

This paper shows the outcome of this review, from which a plan can be developed to become compliant with the code in due course. We have updated the paper to incorporate further feedback from the in-house pensions team and cross-refers to PwC's General Code Advisory Review dated June 2024, which is appended to this report for reference.

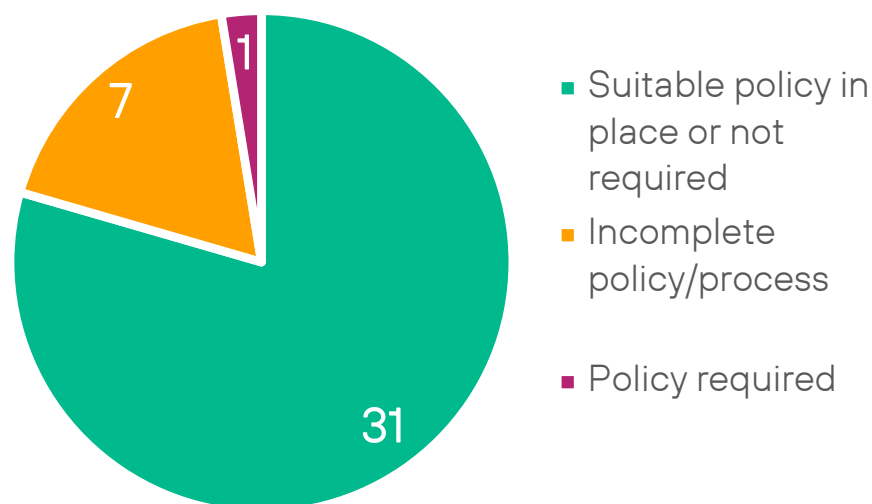
This report has been prepared based on the final version of the Code, effective from 28 March 2024, which is available on tPR's website along with our access to and understanding of existing plan policies and procedure

Gap Analysis Outcome - Overview

We have reviewed your existing documentation to identify the policies and procedures governing your pension scheme.

Your results of the gap analysis are displayed in the below pie chart which shows that many of the existing governance policies and processes are meeting the requirements of the General Code.

The next steps will be to review and update incomplete policies and put in place the new required policies. We recommend that these updates are spread over 2025.



The good news is that your scheme is in a reasonable position.


Overall, we believe that the current Trustee policies and processes are thorough and that there is a significant amount of information documented already that will help to develop a more streamlined and effective suite of policies and processes to form the scheme's Effective System of Governance.



The following section goes into detail on the individual components that make up the requirements of the General Code and uses this colour coded "RAG" rating system to assess the key areas for further action.


The statutory deadline for the completion of the scheme's first ORA is 31 March 2026. Given that the purpose of the ORA is to assess the effectiveness of the scheme's ESoG we would hope to have a comprehensive ESoG in place by 30 September 2025.


Detailed Gap Analysis




The table presented below details the results of the General Code gap analysis. This analysis is organised into the primary workstreams as outlined in the draft General Code. It also contains an overview of the code and the proposed strategy for addressing any gaps and enhancing governance. To indicate areas needing additional attention, we've implemented the traffic light system noted on the previous page and highlighted the requirements of the code that we believe need addressing.


Workstream	Current approach	Overview of the requirements of the Code	Proposed Strategy	Gap Analysis Status
Governing Body				
1. Appointment & Removal of Trustee(s) and Chair of Trustees Recruitment and appointment to the governing body TPR code module The Pensions Regulator	Scheme Specific	<p>Create a process or policy that includes:</p> <ul style="list-style-type: none"> Who is responsible for recruiting, selecting and appointing Trustees and any input required from other parties or requirements for representation of certain bodies or groups A process to identify gaps in skills and competencies across the governing body and how these can be addressed over a defined timescale. A succession plan to maintain the skills and competencies needed by the governing body, how they will be maintained over time. Records of the assessment of the fitness and propriety of candidates. Principles for determining any remuneration of Trustees or reference to the remuneration policy (see Remuneration policy section of report) How to deal with temporary and extended absenteeism A resignation and removal policy which provides clarity on who can remove a 	<p>The appointment of Trustees policy does not include all required aspects of the policy (see highlighted requirements).</p> <p>PwC Report: Code requirements apply. There were no internal audit observations (pg 5 of PwC's report).</p> <p>Our recommendation: It would be useful to add in the additional information that the policy is missing which have been highlighted.</p> <p>Next Steps: Trustee has confirmed that the requirements noted in the report are largely covered across a number of areas (Council Standing orders, Training & Attendance Policy and Regulation). However, it was noted that a Trustee Policy covering recruitment, appointment and competencies would pull everything together providing clarity.</p>	

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		<p>member of the governing body, under what circumstances and the steps for doing so.</p> <ul style="list-style-type: none"> The procedure for appointing the Chair (see Appointment of Chair section of report) 	Isio would be able to draft a policy or provide support for Tayside Pension Fund to update the policy.	
2.	<p>Member Nominated Director (MND)</p> <p>Arrangements for member-nominated trustee appointments TPR code module The Pensions Regulator</p>	<p>The Trustees should have a nomination and selection process / policy for MND's.</p> <p>The nomination process should include:</p> <ul style="list-style-type: none"> The process for eligible members, or any organisation that adequately represents these groups, to nominate potential candidates for MNT positions. The eligibility criteria for prospective nominees, taking into account any legislative provisions that prohibit certain individuals being a trustee. If nominations of non-members are permitted, information regarding eligibility (following a discussion with the employer whether non-members are eligible) Timescales for running the process (within 6 months of vacancy arising) and repeating process where vacancies remain unfilled (<3 years or after material changes) <p>The selection process should include:</p> <ul style="list-style-type: none"> Arrangements for determining who will be appointed as trustee when there are more nominations than vacancies Arrangements for the selection process, which includes some or all members Timescales for running process 	The policy is not required as Scottish regulations already stipulate that member nominated reps are union representatives. This should be noted in the above mentioned policy.	
3.	Appointment and role of the Chair	The appointment of the Chair should be carried out within a robust and documented process.	This policy is compliant with the code.	


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Appointment and role of the chair TPR code module The Pensions Regulator		<p>Where a legal duty to appoint a Chair exists, a Chair of Trustees must be appointed within three months of a scheme being established or within three months of an existing chair resigning or being removed.</p> <p>The Regulator must be informed of the name of the Chair.</p> <p>The Chair needs to be able to demonstrate the following skills and behaviour:</p> <ul style="list-style-type: none"> • Act as a leader of the Trustee Board • Represent the interests of the scheme to all relevant parties • Manage potential conflicts of interest • Ensure each trustee's knowledge and skills are used appropriately • Encourage the Trustee Board to think strategically and take the long-term view <p>Encourage participation from all members of the Trustee Board</p>	PwC Report: Code requirements are good practice. There were no internal audit observations (page 8 of PwC's report).	
4. Meeting Minutes		<p>Written records must include:</p> <ul style="list-style-type: none"> • Date, time, and place of meeting • Names of all in attendance, including professional advisers or any other person present • Names of those invited to the meeting but did not attend • Decisions made at the meeting, including the names of those who participated in them • Decisions made outside of a meeting since the previous meeting, or taken by a committee/sub-committee, including above details • Decisions related to the winding-up of the scheme 	Trustee meeting agenda minutes are recorded by DCC Committee Services and published on the DCC website. The TPF Board do not meet separately from the Committee and therefore separate minutes are not required.	


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5. Meeting / Decision Making Process Meetings and decision-making TPR code module The Pensions Regulator	This is documented in the Governance Policy dated 23 April 2019.	<p>The process should:</p> <ul style="list-style-type: none"> • Include an understanding and adherence to any prescribed governance processes in the scheme rules and legislation • Include the frequency of meetings for the governing body • Agree the basis of attendance (in person, online) and the circumstances where this might change • Establish the circumstances, including legislative restrictions, where and how extraordinary meetings may be called • Consider the complexity and urgency of any issues affecting the scheme to determine the length of the meeting • Include a process for rescheduling postponed meetings • Set expectations for members of the governing body in preparing for meetings, and actions needed in between them • Agree who has responsibility for setting the agenda and who else is consulted in its development • Agree standing items, for example risk register and conflicts of interest items, and administration tasks • Establish the number of members of the governing body required to attend for any meeting to be considered quorate • Consider the extent to which the governing body can influence or direct other parties (such as the sponsoring employer) in decisions that may have material consequences for the scheme or the business supporting it. 	<p>The current meeting/decision-making policy seems adequate, noting that Member Policy is required to incorporate the highlighted areas, with links to other policies as appropriate.</p> <p>The requirements noted in this report, which are not covered in the governance policy are included in the Council Standing Orders. Standing items are covered in the annual timetable, as well as noted in each individual report.</p> <p>PwC Report: Code requirements apply. There were no internal audit observations (pg 5 of PwCs report).</p>	


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6.	Sub-Committee Terms of Reference Meetings and decision-making TPR code module The Pensions Regulator	Terms of reference are only required where sub-committees exist. Code is not explicit as to what to include, but we expect it to incorporate: <ul style="list-style-type: none"> Decision making powers Delegated authority Responsibilities and accountability in relation to the provision of oversight, advice, and decision making 	The Pension Sub-committee terms fall under Local Government investment regulations, and as a sub-committee of the Council, they are bound by Councillor Code of Conduct. Separately, there are TORs for all Board and Committee.	
7.	Remuneration Remuneration and fee policy TPR code module The Pensions Regulator	The written policy should include: <ul style="list-style-type: none"> The principles for determining pay and the decision-making process for payment levels covering all persons or corporate bodies including service providers, who effectively run the scheme, those who conduct key functions, or whose activities materially impact the scheme's risk profile Measures to mitigate potential conflicts of interest and focus on 'in-house' roles, such as trustees, trustee secretary, administrators, and sub-committees An explanation of the decision-making process for the levels of remuneration, and why these are considered to be appropriate 	It is noted that Tayside Pension Fund do not do additional pay. PwC Report: Code requirements are considered good practice but are not applicable to this Scheme. There were no internal audit observations (pg 6 of PwCs report).	
8.	Trustee Training and Knowledge Knowledge and understanding requirements TPR code section The Pensions Regulator	<ul style="list-style-type: none"> All governing bodies should maintain a list of items the members of the governing body should be familiar with (specific documents are stipulated on pages 25-30 of Code) The governing body should keep records of the learning activities of individual members and the body as a whole. This should record all learning activities 	TPF hold a Training and Attendance Policy which should be reviewed annually. Additionally, the Pension Board and Committee members are required to self-assess their knowledge and understanding of Pensions every year using an established framework, with the intention to use the results to create a structured training programme to address any gaps identified.	



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		<p>including any alternative or further learning activities (e.g. reading, attending conferences, sessions with scheme advisers). Professional trustees should be able to demonstrate progress towards, completion of, or compliance with, a recognised appropriate qualification.</p> <ul style="list-style-type: none"> • The governing body should maintain training and development plans to ensure that individual and collective knowledge and understanding is kept relevant and up to date • The governing body should be able to demonstrate that, as a group, they possess the skills, knowledge, and experience to run the scheme effectively (e.g. with a skills matrix) • Members of a governing body should review their own knowledge and understanding and identify any gaps at least annually • Members of governing bodies must record any review of knowledge and understanding, and steps taken to address gaps • The governing body should regularly carry out an audit of skills and experience • Professional trustees should be able to demonstrate progress towards, completion of, or compliance with, a recognised appropriate qualification 	<p>The Trustee confirmed individual records exist, however training attendance and engagement has been a key challenge, and introduction of a more formal regime would assist.</p> <p>PwC Report: Code requirements apply with reference to TKU and governance of TKU. Scheme continuity planning is recommended good practice. Internal Audit observations and recommendations detailed on page 7 of PwC's report</p> <p>Next Steps: Formalising the training structure and review process should be a priority for TPF, with consideration given to the resourcing required to affectively deliver this development .</p>	
9.	Value for members Value for members TPR code module The Pensions Regulator	<p>Required for pension schemes providing DC benefits. VFM assessment must:</p> <ul style="list-style-type: none"> • Review charges and transaction costs borne by members' funds 	This is not required as it is not a DC scheme.	


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		<ul style="list-style-type: none"> • Assess the extent to which charges and costs represent good value for members • Explain their assessment of value for member in the annual chair's statement (see tab 'Communications & disclosure') 		
10.	Service Provider Policies Managing advisers TPR code module The Pensions Regulator	<p>Establish a policy for selection of service providers / advisers, including consideration of:</p> <ul style="list-style-type: none"> • Whether a tender process is appropriate • Degree of delegation • Experience and skillset of chosen service provider • Terms and conditions of contracts • Relevant independent frameworks, such as ISO certification or accreditation frameworks for specialist functions like admin • Appropriate levels of assessment and due diligence will be carried out as part of appointment process • Roles and responsibilities of providers/advisers <p>For the appointment of service providers/advisers, there is no stipulation for an additional written policy, but Trustee Boards should:</p> <ul style="list-style-type: none"> • Agree appropriate delegations and procedures for referral • Agree performance indicators on appointment and secure accountability within the service provider • Ensure flow of communication with the service provider or adviser, so all parties have necessary information to make key decisions and fulfil assigned roles 	<p>TPF has a Procurement Policy which is reviewed annually and there are contracts in place for service providers (including Isio).</p> <p>PwC Report: Code requirements are good practice. There were no internal audit observations (pg 9 of PwC's report).</p>	


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		<ul style="list-style-type: none"> Identify and manage conflicts of interest Have a process for replacing advisers and service providers <p>Trustee Board should have in place a process for managing service providers /advisers, recording decisions taken as well as escalation points. The documentation may include:</p> <ul style="list-style-type: none"> A documented framework for assessing the performance - including agreed strategic objectives, KPI's, SLA's and escalation points, with recorded outcomes, actions, and progress tracker A schedule for reviewing service providers / advisers including consideration of whether scheme continues to receive quality service and value for money. A process to ensure improvements are made where poor service is identified A pension scheme continuity plan 		
11.	<p>Risk Management Function</p> <p>'The risk management function should be proportionate to the size, nature, scale and complexity of the activities of the scheme'</p> <p>Risk management function TPR code module The Pensions Regulator</p>	<p>Under section 249A of the Pensions Act 2004 governing bodies of certain schemes with 100 members or more must have in place a risk management function.</p> <p>The risk management function may be a sub-committee of the governing body, or an independent body that facilitates reporting to the whole governing body or the relevant sub-committee.</p> <p>Responsibility for identifying and evaluating risks and/or internal controls and risk management may be delegated to this function.</p> <p>The Risk Management Function should:</p>	<p>This policy is compliant with the code.</p> <p>PwC Report: Code requirements are good practice. There were no internal audit observations (pg 9 of PwC's report).</p>	


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		<ul style="list-style-type: none"> be structured to enable the scheme to adopt strategies, processes, and reporting procedures to identify, measure, monitor, manage risk at an individual /aggregated level, to which the scheme is or could be exposed, and the interdependencies of such risks. where members and beneficiaries bear risks, consider those risks from the perspective of members and beneficiaries. report to governing body in a timely manner on the above responsibilities. 		
12.	Risk Register Identifying, evaluating and recording risks TPR code module The Pensions Regulator	<p>The risk register should consider risks such as:</p> <ul style="list-style-type: none"> Scheme investments, including asset liability management (if applicable) Insurances, compensation funds and other risk mitigation techniques Environmental, social and governance risks (if applicable) Scheme funding and the strength of the employer covenant (if applicable) The risk that existing controls are not operated as intended Risk of fraud Failure to comply with the law and/or scheme rules Poor record-keeping, poor administration, and IT and database failures Cyber security risks Governance and decision-making not operating to the standard required by pensions legislation Actual or potential conflicts of interest <p>When evaluating risks the scheme objectives should be considered alongside any other relevant</p>	This policy is compliant with the code.	


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		<p>sources of information. Trustees should ensure to also consider:</p> <ul style="list-style-type: none"> • All various functions and activities carried out in the running of the scheme • The likelihood and impact of risks occurring and the interdependencies of risk exposures • New risks due to significant changes in the scheme, employer, or membership. <p>The Trustee Board should be prepared to monitor, challenge, and review their risk evaluation process and outputs.</p> <p>Review of identified risks and risk register should be carried out at least quarterly by the responsible party.</p>		
13.	<p>Conflicts of interest policy / register</p> <p>Conflicts of interest TPR code module The Pensions Regulator</p>	<p>Governing bodies should maintain:</p> <ul style="list-style-type: none"> • A written policy for managing actual and perceived conflicts of interests that can be published (for example on the scheme's website) redacted to the extent that it contains confidential information/personal data • A register of interests that records declarations of conflicts of interest, at the appointment of Trustees and as and when they arise • A record of conflicts of interest in relation to a decision-making process within the written records of meetings. <p>Advisers / service providers must operate their own conflict of interest policy as part of terms of appointment and disclose conflicts to governing body</p>	<p>There is a current Conflicts of Interest policy, however, this has not been updated since 2025. Under the requirements of the code, the conflicts register would need to be updated.</p> <p>PwC Report: Code requirements partially apply. There were no internal audit observations (page 8 of PwC's report).</p>	



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14. Trustee Business Continuity Plan (BCP) Scheme continuity planning TPR code module The Pensions Regulator		<p>Governing bodies should seek to ensure that the performance of the scheme activities is continuous and regular. This will require having a resilient Business Continuity Plan ('BCP') setting out key actions in case a range of events occur that impact the scheme's operations.</p> <p>The BCP should:</p> <ul style="list-style-type: none"> • Cover key areas or scheme activities such as member data and general scheme administration. • Set out roles and responsibilities to be agreed with service providers • Prioritise scheme activities in the event of the BCP being triggered • Detail contingencies in place to mitigate under resource and identify events which may require additional resources <p>Administrators and other service providers must have their own business continuity plan that is reviewed at least annually and tested as appropriate</p> <p>BCP arrangements and process documents and maps should be periodically tested and reviewed regularly, particularly after a system or process change.</p>	<p>There is a current Business Continuity Plan in place, however, it was last updated in 2020. As per the Code, the continuity plan should be updated every 3 years. As the current plan in place is just over a year out of date this can take a lower priority.</p> <p>Next Steps: Isio could have a meeting with Tayside to discuss what needs to be updated in the BCP, Tayside may then go and update this themselves with any guidance they would like from Isio.</p>	
15. Own Risk Assessment (ORA) Own risk assessment TPR code module The Pensions Regulator	No ORA yet completed	<p>The ORA is an assessment of how well governance systems are working, and the way potential risks are managed.</p> <p>An ORA is a requirement for schemes with over 100 members and should be prepared and documented within 1 year from the last day of the first scheme year that begins after the General Code is enforced.</p> <p>The ORA may be an index of other relevant documents recording existing risk</p>	<p>ORA will be developed and undertaken by Trustee Board following sign off of ESoG. TPF have PwC engaged as Internal Audit service and they have already done an advisory ESoG (Code readiness) assessment. I would recommend that they be engaged to undertake this</p>	


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		<p>assessments and may include assurance reporting from service providers.</p> <p>The ORA should identify key governance risks facing the scheme and the findings should be incorporated into risk management and decision-making processes.</p>	<p>assessment as part of their audit remit.</p> <p>PwC Report: Code requirements are good practice. PwC's internal audit observations and recommendations are were included (pg 13 of PwC's report).</p>	
16.	<p>Internal controls</p> <p>Internal controls TPR code module The Pensions Regulator</p>	<p>Categories of internal controls can include (but are not limited to):</p> <ul style="list-style-type: none"> • The prompt and accurate processing of financial transactions • Record keeping • Data monitoring • Monitoring of contributions (if required) • Cyber security procedures • IT policies (maintaining, upgrading, replacing hardware and software) • Procedure to address when a sponsor fails to meet legal duties to the scheme, in relation to scheme data / record keeping • Procedure to reconcile employer and scheme data (if required) <p>The documented internal controls should consider</p>	<p>The Trustee confirmed that Internal Controls assessments are undertaken annually by Audit Scotland as part of their remit. The outcome of these assessments are contained within the funds annual report.</p>	




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		<ul style="list-style-type: none"> • Separation of duties and processes for escalation and decision-making. • How the control will be implemented and the skills of the person performing the control • The level of reliance that can be placed on information technology solutions where processes are not automated • Whether the control is capable of preventing future recurrence or merely detecting an event that has already happened • The frequency and timeliness of a control process • How the control will ensure that data is managed securely • The process for identifying errors or control failures, and approval and authorisation of controls • Whether professional advice is needed when designing controls <p>There are different approaches to maintaining internal controls that can be considered such as regular review of performance, third party assurances, service provider assurances.</p>		
17.	<p>Assurance Reporting and Internal Audit Function</p> <p>Assurance reports on internal controls TPR code module The Pensions Regulator</p>	<p>The scope and nature of internal audit work / the level of assurance reporting can be tailored to meet the requirements of the governing body. This may include financial and non-financial processes and controls.</p> <p>For each assurance report the Trustees should:</p> <ul style="list-style-type: none"> • Consider the process for appointing service providers 	This policy is compliant with the code.	



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		<ul style="list-style-type: none"> Understand the scope, methodology and supporting evidence used as the basis for the report Be clear where control objectives have been included, excluded, or modified Detail the level of interrogation carried out in assessing the scheme and internal controls 		
Investment				
18.	Statement of Investment Principles Statement of investment principles TPR code module The Pensions Regulator	Requirement for schemes with over 100 members (good practice for those with less). The SIP must contain. <ul style="list-style-type: none"> The governing body's policy for securing compliance with the legislation on choosing investments The governing body's policies relating to: <ul style="list-style-type: none"> the investments to be held by the scheme the balance between different investments risks - including how they are to be measured and managed the expected return on investments the realisation of investments financially material considerations and how they are considered in investment decisions the extent to which non-financial matters are considered in investment decisions how the governing body exercises rights, including voting rights, attached to investments undertaking engagement activities in respect of investments, including but not limited to the methods set out in legislation 	This policy is compliant with the code. PwC Report: Code requirements are good practice. There were no internal audit observations (pg 10 of PwC's report).	




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		<ul style="list-style-type: none"> - any arrangement with the asset manager, setting out the matters described in legislation <p>A default SIP must contain</p> <ul style="list-style-type: none"> • The aims and objectives of the trustees or managers in respect of the investments in the default arrangement • The matters set out in the Investment Regulations • An explanation of the intention to ensure that assets 		
19.	Investment Monitoring Investment monitoring TPR code module The Pensions Regulator	<p>Monitoring reports in themselves are not a requirement, but trustees are required to assess the performance of scheme assets at least quarterly.</p> <p>The monitoring of investments should include:</p> <ul style="list-style-type: none"> • procedures to consider investment returns both before and after fees against relative benchmarks • procedures to compare investment performance against stated investment principles at least quarterly • procedures to consider fees and costs and whether justified • controls to alert the trustees to potential financial risks relating to their investment manager • where applicable, procedures to consider the governing body's value for member assessment • consideration of ESG factors, including shareholder engagement and processes should be in place to ensure compliance <p>The investment monitoring process should be regularly assessed, ensuring proper review,</p>	<p>Investment monitoring reports are provided to the Board & Committee on a quarterly basis, and also annually – reviewed by Isio.</p> <p>The reports are confidential and therefore will never be published on the website.</p> <p>PwC Report: Code requirements are good practice. There were no internal audit observations (pg 10 of PwC's report).</p>	

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		and monitoring of investments and making improvements as appropriate		
20.	Investment Decision Making Investment decision-making TPR code module The Pensions Regulator	<p>The process should ensure:</p> <ul style="list-style-type: none"> Investment decisions can be made in an effective and timely manner and implemented promptly and appropriately All parties are clear on where responsibility and accountability sit in relation to the provision of oversight, advice, and decision-making Trustees are regularly assessing the effectiveness of the governing body's investment decision-making and governance process <p>The following should be documented:</p> <ul style="list-style-type: none"> Objectives and strategies, regularly reviewed to assess whether investment performance is in line with objectives and continues to remain suitable for members Changes to investments or investment strategy, the reasons they were needed, and the improvements expected If using bespoke investment arrangements to meet specific requirements, a clear explanation of their strategy and objectives and how the specific requirements will be met Clear identification of any investments not traded on a regulated market, why such investments are being used and how they fit in with the agreed investment objectives 	<p>This policy is compliant with the code.</p> <p>PwC Report: Code requirements are good practice. There were no internal audit observations (pg 10 of PwC's report).</p>	
21.	Climate change policies	Governing bodies must:	This policy is compliant with the code.	

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Climate change TPR code module The Pensions Regulator		<ul style="list-style-type: none"> Maintain and document processes for identifying and assessing climate-related risks and opportunities Integrate these processes into their risk management and governance arrangements 	PwC Report: Code requirements are good practice. There were a number of internal audit observations and recommendations (pg 11&12 of PwC's report).	
22. Implementation Statement Stewardship TPR code module The Pensions Regulator		<p>The report must cover, or broadly include:</p> <ul style="list-style-type: none"> A statement by the trustees giving details of any investments during the scheme year that were not made in accordance with the Statement of Investment Principles (SIP) and an explanation why Any action taken or proposed to remedy the deviation from the SIP A review of the investments' performance during the scheme year An assessment of the type of investments covering their geographical location, liquidity, security, and value of the scheme assets How closely, in the opinion of the trustees, they have followed their policy in relation to the exercise of the rights (including voting rights) attaching to the investments A description of the voting behaviour by, and on behalf of, the trustees in the preceding year, including the most significant votes cast by trustees A statement of any use of the services of a proxy voter during that year <p>Copies of the trustees' policies in relation to:</p> <ul style="list-style-type: none"> financially material considerations and non-financial matters which are considered in the trustees' investment activities 	Investments have to be taken in keeping with the Fund's investment principles and ESG policy. If there were instances where investments were made not in accordance, they would be noted in the annual report.	



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		<ul style="list-style-type: none"> exercise of the rights attached to investment and undertaking engagement activities relating to the investments (including how and when trustees would monitor and engage with relevant persons about relevant matters) The trustees' arrangements with asset managers 		
23.	Objective setting for investment consultants Investment governance TPR code module The Pensions Regulator Set objectives for your investment consultant The Pensions Regulator	There is a requirement to: <ul style="list-style-type: none"> Set advisor objectives (and review at least every three years) Monitor and assess performance (at least annually) 	The policy is compliant with the code. PwC Report: Code requirements are good practice. There were no internal audit observations (pg 10 of PwC's report).	
24.	Charge cap compliance Default arrangements and charge restrictions TPR code module The Pensions Regulator	There is a requirement to: <ul style="list-style-type: none"> document how you identify whether default arrangements observe the charge controls, including the calculation process have processes in place to identify and report any activities involving charging member's commission where restrictions on costs and charges have been breached, consider whether this is reportable 	Not required as not a DC scheme.	
Administration				
25.	Stewardship reports Planning and maintaining administration TPR code module The Pensions Regulator	Not explicitly required under the code, but governing bodies must have a means to regularly monitor the performance of administrators	This policy is compliant with the code.	





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26. Record keeping Record keeping TPR code module The Pensions Regulator		Ensure accurate and up-to-date records are maintained	<p>Isio were unable to find a separate document explicitly outlining the record keeping process. However, in the March 2024 pension administration strategy, it does mention that member data is stored electronically.</p> <p>The in-house Pensions Service Manager has confirmed that Data retention and record keeping is in accordance with DCC data retention policies.</p> <p>Next Steps: Isio are able to support Tayside with updating a record keeping process. This may only need an additional paragraph to outline how the data is stored, how long for etc.</p> <p>This is planned to be integrated into the ORA under the internal controls section of the code.</p> <p>Trustee has confirmed it will amend its administration strategy to include data retention and data improvement plan.</p>	
27. Data Improvement Plan Data monitoring and improvement TPR code module The Pensions Regulator		<p>A review of scheme data should be considered at least annually. As part of the review, trustees should:</p> <ul style="list-style-type: none"> Consider the frequency and nature of any additional data reviews where errors or gaps are identified, or in response to significant scheme events (e.g. wind-up) Ensure data reviews include an assessment of the accuracy and completeness of common and scheme specific data Keep a record of data reviews undertaken and their findings (where errors and gaps 	<p>Isio were unable to find any policies that outline a data improvement plan, however the in-house Pensions Service Manager has confirmed that Data Enrichment Assessment is provided by the systems provider (Heywoods) in preparation for Pensions Dashboard and that data reviews are conducted annually in accordance with tPR regulations and are submitted as part of Scheme Returns.</p>	


Workstream	Current approach	Overview of the requirements of the Code	Proposed Strategy	Gap Analysis Status
		are identified) put in place a data improvement plan to address these issues.	<p>Next Steps: Isio can support Tayside in drafting a document outlining data monitoring and improvement plans. It may be useful to draft this document alongside the record keeping policy rather than having two separate policies.</p> <p>This is planned to be integrated into the ORA under the internal controls section of the code.</p> <p>Trustee has confirmed it will amend its administration strategy to include data retention and data improvement plan.</p>	
28.	Data protection / Cyber policies Cyber controls TPR code module The Pensions Regulator	<p>The code does not specifically state the data protection policies required, but we expect these to be:</p> <ul style="list-style-type: none"> • GDPR policy & privacy notice • Data breaches policy & log • Cyber security policy & procedures • Fraud prevention policy • IT device policies (e.g. for accessing data with various devices) – see 'Managing cyber risk' 	<p>TPF comes under the DCC data protection umbrella (as they are the administering authority). TPF are happy to share all relevant information for DCC for assessment purposes.</p>	
29.	Administration IT systems Maintenance of IT systems TPR code module The Pensions Regulator	<p>The governing bodies' service providers must:</p> <ul style="list-style-type: none"> • Put written policies in place for maintaining, upgrading, and replacing hardware and software. • Provide evidence to show that there is a schedule for the system to be replaced or updated, such as changes to tax thresholds. 	<p>The Trustee confirmed that the Heywoods contract (IT System) contains all the relevant items explained in the code.</p>	
30.	Financial transactions	<p>Governing bodies must have established processes and procedures to ensure financial transactions are processed promptly and accurately.</p>	<p>There are details of key financial transactions on the customer side within the administration strategy (i.e. death grants).</p>	



Workstream	Current approach	Overview of the requirements of the Code	Proposed Strategy	Gap Analysis Status
Financial transactions TPR code module The Pensions Regulator			It is still believed that there may be grey areas in relation to rebalancing of portfolio and draw down from custodian to pay pensions. These could be incorporated into the treasury policy.	

Communication & Disclosure

31.	<p>General Principles</p> <p>General principles for member communications TPR code module The Pensions Regulator</p> <p><i>Governing bodies should regularly review member communications, applying the general principles set out on page 130 of the General Code</i></p>	<p>Governing bodies should</p> <ul style="list-style-type: none"> • Ensure that all communications sent to members are accurate, clear, concise, relevant and in plain English • Regularly review member communications, taking account of member feedback, any changes to scheme design and developments in law • Consider available technology • Consider communication methods - accessible online content, audio, Braille, large font, and languages • Consider what additional information or explanation members may need to help them make informed decisions • For DC and hybrid schemes, regularly inform members of the impact their contributions will have on their overall benefits. 	<p>Tayside Pension Fund maintain a Communications Policy which is reviewed annually (as required by the Local Government Pension Scheme (Scotland) Regulations 2014) and covers the requirements of the code. This document should continue to be reviewed regularly, with consideration given to how updates in communication technology can be effectively employed where appropriate.</p> <p>PwC Report: Code requirements are applicable. There were no internal audit observations (pg 12 of PwC's report).</p>	
32.	<p>Annual pension benefit statements (AVC's)</p> <p>Annual pension benefit statements (DC) TPR code module The Pensions Regulator</p>	<p>The governing body must provide annual AVC statements</p>	<p>Annual benefit statements come straight from the AVC provider to the member.</p>	

Workstream	Current approach	Overview of the requirements of the Code	Proposed Strategy	Gap Analysis Status
33.	Summary funding and benefit statements Summary funding and pension benefit statements (DB) TPR code module The Pensions Regulator	The governing body must: <ul style="list-style-type: none"> Provide member and beneficiaries with a summary funding statement. For schemes with fewer than 100 members the summary funding statement is only required triennially Issue benefit statement to members on request within 2 months 	Annual benefit statements are confidential and are all held within the member self-service portal. The Trustee noted that all annual benefit statements are issued in accordance with regulatory requirements.	
34.	Scams Scams TPR code module The Pensions Regulator	The governing body must: <ul style="list-style-type: none"> Check that at least one of the conditions for a transfer out of the scheme are met Carry out due diligence on the scheme to which the member wishes to transfer Take appropriate steps to mitigate the risk of scams and raise awareness with members 	Isio were unable to find any written policies on preventing and mitigating scams, however the in-house Pensions Service Manager has confirmed that all pension processes have been amended to protect against scams and these processes have since been audited thoroughly by PwC. Furthermore, scam prevention information is highlighted on the TPF website and included in all member documentation with regards to transfers.	
35.	Internal Dispute Resolution Process Dispute resolution processes TPR code module The Pensions Regulator	The IDR policy should include: <ul style="list-style-type: none"> Contact details for matters relating to disputes The process to apply for the dispute to be resolved The process by which any decisions are reached tPR sets expectations regarding the timeframes within which trustees must respond to member disputes.	This policy is compliant with the code. PwC Report: Code requirements apply. There were no internal audit observations (pg 6 of PwC's report).	
36.	Chair's Statement Chair's statement TPR code module The Pensions Regulator	When required, the Chair's statement should broadly cover the following areas: <ul style="list-style-type: none"> The default investment arrangement and its governance 	Not required as it is not a DC Scheme.	

Workstream	Current approach	Overview of the requirements of the Code	Proposed Strategy	Gap Analysis Status
		<ul style="list-style-type: none"> • The processing of core financial transactions • Disclosure of net investment returns • Disclosure of costs and charges (including transaction costs) relating to the default arrangement and self-selected funds and their long-term effect on returns • Trustee knowledge and understanding • The trustee board and member representation (for master trusts only) • The assessment of value for members 		
37.	Scheme Accounts Audit requirements TPR code module The Pensions Regulator	Prepare Scheme accounts within 7 months of the Scheme's year end.	This policy is compliant with the code.	

Workstream	Current approach	Overview of the requirements of the Code	Proposed Strategy	Gap Analysis Status
Reporting to tPR				
38.	<p>Scheme Return</p> <p>Registrable information and scheme returns TPR code module The Pensions Regulator</p>	<p>Registrable information includes mainly basic scheme details and is populated via exchange.</p>	<p>The Trustee confirmed that Scheme returns are completed annually in accordance with regulatory requirements.</p>	
39.	<p>Reporting to tPR</p> <p>Breaches of law must be made to tPR in writing - in most cases this should be within 10 working days</p> <p>Reporting to TPR code section The Pensions Regulator</p>	<p>The governing body should have:</p> <ul style="list-style-type: none"> • An understanding of the reporting requirements set out on pages 158 to 168 of the General code • A process for clarifying the law and facts around the suspected breach where needed • A process to consider the material significance of the breach and the referral process to tPR • A system to record breaches, even if they are not reported • A process for reviewing reporting procedures following important changes to the scheme's governance arrangements 	<p>Isio were not able to find any documentation on reporting breaches of the law to tPR. However, it is to be assumed that Tayside Pension Fund are aware and have a good understanding on the requirements.</p> <p>Next Steps: Tayside to confirm that they have an understanding and awareness on the requirements of reporting breaches of the law. Tayside can draft a document to outline the requirements and process for reporting breaches of the law. This can be done with Isio's help and support.</p>	

Register of policies / scheme documentation

The table below summarises your existing policies and scheme documentation.

Policy / Documentation	Last reviewed
Trustee Appointment policies	February 2015
Member Nominated Director Appointment Policy	February 2015
Meeting/decision making policy	February 2015
Trustee Training Policy	March 2023
Risk Management Function	June 2023
Risk Register	September 2024
Conflicts of Interest policy/register	February 2015
Continuity Plans	March 2020
Communications Policy	March 2025
Procurement Policy	March 2024
Assurance Reporting and Internal assurance framework	June 2024
Statement of Investment Principles	March 2024
Sub-committee terms of reference (Investment)	March 2024
Investment decision making process	March 2024
Climate change policies	May 2024
Objective setting for investment consultants	March 2024
Stewardship Reports	December 2024
Scheme accounts	September 2023/24
Internal dispute resolution policy	N/A

