Confident ORA delivery through a critical transition phase

Client Context

IGG provides Professional Corporate Sole Trustee (PCST) together with Secretariat and Governance support services to a UK pension scheme with approximately 260 members.

A full review of the scheme's Effective System of Governance (ESOG) was undertaken in 2022, with subsequent annual reviews. This established a strong governance foundation, identifying areas where policies and processes required enhancement, while confirming where existing arrangements were robust and effective.

Challenge

The Trustee was required to complete its first Own Risk Assessment (ORA), demonstrating the effectiveness of the scheme's controls, mitigations and risk management framework.

This was set against a period of significant transition. In March 2025, the scheme completed a buy-in, moving into the next phase towards buy-out and wind-up. While risk had reduced, governance requirements remained critical during this phase. The key challenge was to ensure that:

- a tailored approach to ORA was undertaken
- proportionality was clearly applied and evidenced
- the ORA provided a clear and defensible justification for the Trustee's approach

At a glance

Scheme size

£36m

Membership

260

members

Challenge faced

First ORA

after scheme completed a buy-in, and was moving into the next phase towards buy-out and wind-up.

Solution

IGG built on the scheme's existing ESOG framework, using prior governance reviews as a foundation for the ORA. The approach focused on:

- assessing the effectiveness of existing controls and risk management processes
- clearly documenting how proportionality had been applied
- aligning the ORA with the scheme's post buy-in risk profile
- ensuring outputs were structured, evidence-based and easy for the Trustee to review and approve

A key focus was distinguishing between "must have" and "nice to have" elements of governance. IGG worked with the Trustee to prioritise those areas required to meet regulatory expectations and support effective risk management, while avoiding unnecessary enhancement or duplication of existing processes.

This ensured the ORA was an extension of an already embedded governance framework.

Result

The ORA was completed and signed off ahead of the regulatory deadline, with the assessment confirming a positive effectiveness rating. The Trustee gained confidence that:

- the scheme's governance and risk management framework was robust and comprehensive
- existing practices were appropriate to the scale and complexity of the scheme
- governance remained aligned with the Trustee's objective of safeguarding member benefits

The ORA also provided a clear and focused action plan, supporting continued governance development as the scheme progresses towards buy-out. This included:

- re-evaluating risks following the buy-in
- progressing data cleanse activity with administrators
- maintaining oversight of cyber and IT controls
- continuing structured engagement with advisers and members

The approach ensured robust oversight and focus on areas of real value, avoiding unnecessary documentation or process change. The Trustee was able to demonstrate compliance and effectiveness without over-engineering the governance framework.

IGG Delivered

- ORA aligned to post buy-in risk environment
- Proportionate approach without unnecessary complexity
- Confidence through transition to buy-out phase
- Clear, defensible governance and risk framework

Independent Governance Group

Why This Matters for Trustees Under the General Code

The Own Risk Assessment (ORA), as set out in The Pensions Regulator's General Code, requires trustees to identify, evaluate and manage risks through an Effective System of Governance (ESOG) framework.

For many schemes, the challenge is not building governance from scratch, but ensuring existing arrangements are clearly evidenced, aligned to the Code and proportionate to the scheme's size and risk profile.

Without a structured approach, this can lead to unnecessary complexity. Documentation expands, governance frameworks become harder to operate and trustee time is absorbed by process rather than decision-making.

IGG's role

Our focus is to support trustees in delivering ORA in a way that is structured, proportionate and aligned to the scheme's existing governance framework.

In practice, this includes:

- ✓ Undertaking a gap analysis to assess alignment with the General Code
- ✓ Reviewing governance across key areas within the ESOG framework
- ✓ Confirming where existing policies and processes are effective in practice
- ✓ Identifying targeted areas for enhancement, where required
- ✓ Focussing on the must have rather than the nice to have
- ✓ Providing clear, practical outputs to support trustee decision-making

The result is an ORA process that builds on existing governance and supports a sustainable approach to ongoing compliance.

The value

ORA is not simply a compliance requirement. Delivered by IGG, it becomes a structured, efficient process that strengthens governance by bringing clarity and consistency to how risks are identified, assessed and managed.

When IGG supports your ORA, you benefit from:

- Tried and tested approach
- Efficient and streamlined process
- Dedicated team resource to answer questions/ concerns

The outcome is greater confidence that governance is robust, proportionate and capable of supporting effective decision-making and positive member outcomes.

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