Proportionate governance to support confident regulatory compliance

Client Context

IGG provided secretarial and governance services to a medium-sized UK pension scheme with just under 2,000 members. Prior to IGG's appointment, the Trustee had already undertaken a detailed review of its Effective System of Governance (ESOG) and maintained a structured policy review programme as part of the scheme's wider business plan.

The Trustee had taken considered, proportionate decisions on where documentation was required and where it was not considered relevant to the scheme's risk profile. Governance documentation was therefore already well developed, albeit not designed with the Own Risk Assessment (ORA) in mind.

Challenge

Following the introduction of The Pensions Regulator's General Code of Practice, the Trustee was required to complete its first ORA. The challenge was not a lack of governance, but ensuring that existing arrangements could be:

- reviewed objectively against the General Code
- evidenced appropriately within the ORA framework
- confirmed as proportionate and defensible

The Trustee wanted to avoid unnecessary duplication, retain confidence in prior governance decisions, and complete the ORA within regulatory timescales without creating additional burden.

At a glance

Scheme size

£270m

Membership

2,000

members

Challenge faced

First ORA

completion within regulatory timescales without creating any additional burden

Solution

IGG approached the ORA by building directly on the scheme's existing ESOG framework rather than re-documenting governance from scratch.

An ESOG gap analysis was completed using IGG's standard governance framework, focusing on alignment with the General Code. This confirmed that the majority of policies and controls were already in place, with only limited areas requiring further confirmation or clarification.

IGG then completed the ORA using its adaptable ORA template, identifying:

- areas where Trustee risk appetite or approach needed to be reconfirmed
- instances where additional assurance from third-party providers would strengthen Trustee confidence
- documentation gaps that warranted reconsideration in line with good practice

At the request of the Trustee sub-committee overseeing ESOG and ORA, IGG provided regular written progress updates. These highlighted completed sections, emerging themes and proposed actions, ensuring transparency throughout the process and avoiding late-stage surprises.

Result

The ORA report was reviewed by the sub-committee and, following minor refinements, presented to the full Trustee Board one quarter ahead of the regulatory deadline.

The report confirmed that the scheme's governance framework was robust and proportionate. The resulting action plan was focused and realistic, with most actions already in progress as part of existing business plans. Examples included:

- scheduled cyber-related training
- routine policy reviews already planned for the following quarter

The Trustee Board signed off the ORA more than three months ahead of the deadline. Feedback highlighted:

- confidence in the robustness of the approach
- clarity on where action was, and was not, required
- assurance that prior governance decisions remained appropriate and defensible

IGG Delivered

- ESOG gap analysis aligned to General Code
- ORA delivered using structured, proportionate framework
- Focused action plan enabling early sign-off
- Targeted actions identified

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
- ✓ Structuring delivery through clear milestones and trustee engagement
- ✓ 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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